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# NOTES

## Segment reporting[1]

### Operating segments

| | DACH | | Western/Southern Europe | | Eastern Europe | | Others | | Consolidation | | CECONOMY[2,3] | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| € million | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 |
| External sales (net) | 12,358 | 12,662 | 6,609 | 6,714 | 2,181 | 2,226 | 722 | 553 | 0 | 0 | 21,870 | 22,155 |
| Internal sales (net) | 38 | 21 | 7 | 2 | 0 | 1 | 80 | 21 | −125 | −46 | 0 | 0 |
| Sales (net) | 12,396 | 12,683 | 6,616 | 6,716 | 2,181 | 2,227 | 803 | 574 | −125 | −46 | 21,870 | 22,155 |
| EBITDA | 470 | 516 | 212 | 148 | −45 | −15 | −18 | −52 | 0 | 0 | 619 | 597 |
| EBITDA before special items | 493 | 539 | 230 | 169 | 9 | 34 | −12 | −39 | 0 | 0 | 719 | 704 |
| Scheduled amortisation, depreciation and impairment losses | 173 | 133 | 76 | 83 | 57 | 45 | 7 | 6 | 0 | 0 | 313 | 267 |
| Reversals of impairment losses | 1 | 0 | 1 | 1 | 1 | 3 | 3 | 0 | 0 | 0 | 6 | 3 |
| EBIT | 298 | 384 | 137 | 65 | −102 | −57 | −22 | −58 | 0 | 0 | 312 | 334 |
| EBIT before special items | 359 | 421 | 158 | 91 | −35 | 3 | −16 | −44 | 0 | 0 | 466 | 471 |
| Investments | 244 | 168 | 113 | 112 | 47 | 34 | 3 | 5 | 0 | 0 | 406 | 319 |
| Long-term segment assets | 858 | 843 | 502 | 520 | 142 | 126 | 21 | 22 | 0 | 0 | 1,523 | 1,512 |

[1] Segment reporting is explained in the notes under No. 43 – Segment reporting
[2] Contains external sales of € 10,579 million in Germany in 2016/17 (2015/16: € 10,344 million) and long-term segment assets as of 30 September 2017 amounting to € 721 million (30/09/2016: € 744 million).
[3] Contains external sales of € 2,088 million in Italy in 2016/17 (2015/16: € 2,108 million) and long-term segment assets as of 30 September 2017 amounting to € 152 million (30/09/2016: € 158 million).

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# Notes on the Group accounting principles and methods

## Accounting principles

CECONOMY AG, the parent company of the CECONOMY (hereinafter: CECONOMY) Group, has its head office at Benrather Strasse 18–20, 40213 Düsseldorf, Germany, and is registered at the District Court of Dusseldorf under the registration number HRB 39473. The consolidated financial statements and the Group management report are submitted to the operator of the Federal Gazette and published in the Federal Gazette. The entire annual report is also available on line at www.ceconomy.de.

These consolidated financial statements as at 30 September 2017 were prepared in accordance with International Financial Reporting Standards (IFRS). They comply with all mandatory applicable accounting standards and interpretations adopted by the European Union as of this date. Compliance with these standards and interpretations ensures a true and fair view of the net assets, financial position and results of operations of CECONOMY.

The consolidated financial statements in their present form comply with the stipulations of Section 315a of the German Commercial Code (HGB). Together with Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002 concerning the application of international accounting standards, they form the legal basis for Group accounting in accordance with international standards in Germany.

The date at which the Management Board of CECONOMY AG signed the consolidated financial statements (29 November 2017) also represents the date at which the Management Board released the consolidated financial statements for publication and submitted them to the Supervisory Board.

The present consolidated financial statements are based on the historical cost principle. The main exceptions are financial instruments recognised at fair value, and financial assets and liabilities that are recognised as hedged items at fair value within a fair value hedge. Furthermore, non-current assets held for sale and disposal groups as well as discontinued operations are recognised at fair value less costs to sell as long as this value is lower than the carrying amount. Liabilities from cash-settled share-based payments are also recognised at fair value. In addition, provisions are valued at the anticipated settlement amount.

The statement of profit or loss has been prepared using the cost of sales method.

Certain items in the statement of profit or loss and the statement of financial position have been combined to increase transparency and informative value. These items are listed separately and are described in detail in the notes.

The consolidated financial statements have been prepared in euros. Unless otherwise indicated, all figures are stated in million euros (€ million). Decimal places have been omitted in some cases in tables to enhance clarity. Figures in tables may include rounding differences.

The following accounting and measurement methods were used in the preparation of the consolidated financial statements.

## Application of new accounting methods

### ACCOUNTING STANDARDS APPLIED FOR THE FIRST TIME IN FINANCIAL YEAR 2016/17

The following accounting standards and interpretations revised, amended and newly adopted by the International Accounting Standards Board (IASB) that were binding for CECONOMY AG in financial year 2016/17 were applied for the first time in these consolidated financial statements, unless the Company opted for voluntary early adoption:

**IAS 1 (Presentation of Financial Statements)**

In the context of the "Disclosure Initiative", the following amendments to IAS 1 (Presentation of Financial Statements) were made with respect to the materiality principle, the presentation of net assets, the statement of

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profit or loss and other comprehensive income as well as disclosures in the notes to the financial statements.

In accordance with the materiality principle, information should not be obscured by aggregating information; materiality considerations apply to all parts of a financial statement; and the materiality principle must be considered even when a standard requires a specific disclosure.

The possibility of breaking line items down or them grouping together in the financial statements in the interests of relevance, and of including specifications of subtotals, has been considered, and the principles of clarity and comparability have been observed when determining the sequence of disclosures.

The aforementioned changes have not affected these financial statements.

We would like to clarify that the shares in other comprehensive income of associates and joint ventures accounted for using the equity method are now grouped together and recognised within the other comprehensive income of CECONOMY AG based on whether or not they will subsequently be reclassified to profit or loss in the statement of profit or loss.

**Additional IFRS amendments**
The annual improvements to IFRS 2012–2014 include a clarification in IAS 34 (Interim Financial Reporting) regarding the disclosure of information elsewhere in the interim financial report.

In addition, as part of the improvements, two clarifications were made in IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations). If an entity reclassifies an asset (or disposal group) from the "held for sale" to the "held for distribution" category and an entity thus moves from one method of disposal to the other without interruption, this reclassification is seen as a continuation of the original plan of sale. As a result, the entity can continue to apply the accounting requirements applicable to assets (or disposal groups) that are classified as held for sale. The same applies to reclassifications from the category "held for distribution" to "held for sale". The reclassification does not result in an extension of the period in which the sale or distribution must be completed.

Assets (or disposal groups) that no longer satisfy the criteria for recognition as held for distribution must be treated in the same way as an asset that is no longer recognised as held for sale and must no longer be recognised in accordance with IFRS 5.

The following accounting standards were also applicable for the first time in financial year 2016/2017 but without any major impact on CECONOMY:

- IFRS 10/IFRS 12/IAS 28 (Amendment: Investment Entities: Applying the Consolidation Exception)
- IFRS 11 (Amendment: Accounting for Acquisitions of Interests in Joint Operations)
- IAS 16/IAS 41 (Amendment: Bearer Plants)
- IAS 16/IAS 38 (Amendment: Clarification of Acceptable Methods of Depreciation and Amortisation)
- IAS 27 (Amendment: Equity Method in Separate Financial Statements)

## ACCOUNTING STANDARDS THAT WERE PUBLISHED BUT NOT YET APPLIED IN FINANCIAL YEAR 2016/17

A number of other accounting standards and interpretations newly adopted or revised by the IASB were not yet applied by CECONOMY AG in financial year 2016/17 because they were either not yet mandatory or have not yet been endorsed by the European Commission.

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| Standard/ Interpretation | Title | Effective date according to IFRS[1] | Application at CECONOMY AG from[2] | Endorsed by EU[3] |
|---|---|---|---|---|
| IFRS 2 | Share-based Payment (Amendment: Classification and Measurement of Share-based Payment Transactions)[4] | 01/01/2018 | 01/10/2018 | No |
| IFRS 4 | Insurance Contracts (Amendment: Applying IFRS 9 Financial Instruments together with IFRS 4 Insurance Contracts) | 01/01/2018 | 01/10/2018 | Yes |
| IFRS 9 | Financial Instruments | 01/01/2018 | 01/10/2018 | Yes |
| IFRS 9 | Financial Instruments (Amendment: Prepayment features with negative compensation[4]) | 01/01/2019 | 01/10/2019 | No |
| IFRS 10/IAS 28 | Consolidated Financial Statements/Investments in Associates and Joint Ventures (Amendment: Sales or contributions of assets between an investor and its associate/joint venture[4]) | Unknown[5] | Unknown[5] | No |
| IFRS 15 | Revenue from Contracts with Customers | 01/01/2018 | 01/10/2018 | Yes |
| IFRS 15 | Revenue from Contracts with Customers (Clarifications) | 01/01/2018 | 01/10/2018 | Yes |
| IFRS 16 | Leases | 01/01/2019 | 01/10/2019 | Yes |
| IFRS 17 | Insurance Contracts[4] | 01/01/2021 | 01/10/2021 | No |
| IAS 7 | Statement of Cash Flows (Amendment: Disclosure initiative) | 01/01/2017 | 01/10/2017 | Yes |
| IAS 12 | Income Taxes (Amendment: Recognition of deferred tax assets for unrealised losses) | 01/01/2017 | 01/10/2017 | Yes |
| IAS 28 | Investments in Associates and Joint Ventures (Amendment: long-term interests in associates and joint ventures [4]) | 01/01/2019 | 01/10/2019 | No |
| IAS 40 | Investment Property (Amendment: Transfers of investment property[4]) | 01/01/2018 | 01/10/2018 | No |
| IFRIC 22 | Foreign Currency Transactions and Advance Consideration | 01/01/2018 | 01/10/2018 | No |
| IFRIC 23 | Uncertainty over Income Tax Treatments[4] | 01/01/2019 | 01/10/2019 | No |
| Various | Improvements to IFRS (2014–2016)[4] | 01/01/2018[6] | 01/10/2018[6] | No |

[1] Without prior application
[2] Applicable only after 1 October due to deviation of the financial year from the calendar year: Approval for application (endorsement) from EU has been made
[3] Status: 29 November 2017 (date of the signature from the Management Board of CECONOMY AG)
[4] Official German title still unknown - thus independent translation
[5] Indefinite deferral of effective date by IASB
[6] Application of changes to the IFRS 12 starting from the 2017/2018 financial year

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**IFRS 2 (Share-based Payment)**
The amendment "Classification and Measurement of Share-based Payment Transactions" relates to three aspects of IFRS 2.

Until now, IFRS 2 has contained no guidance on how vesting conditions affect the fair value of liabilities for cash-settled share-based payments. IASB has now added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as used for equity-settled share-based payments. As a result, market performance conditions and non-service conditions must be considered in fair value, while service conditions and other performance conditions must be considered in the quantity of instruments.

An exception has now been introduced for share-based payments under which an entity settles a share-based payment agreement net. In future, this share-based payment is classified as equity-settled in its entirety provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

Clarification has also been provided in that the original liability recognised in respect of a cash-settled share-based payment that changes to an equity-settled share-based payment because of modifications of the terms and conditions must be derecognised. The equity-settled share-based payment must then be recognised at the modification date to the extent that services have been rendered up to the modification date. Any difference between the carrying amount of the liability and the amount recognised in equity will be recognised in profit or loss immediately.

These amendments to IFRS 2 apply to financial years beginning on or after 1 January 2018. Subject to the respective EU endorsement, CECONOMY AG will therefore apply these regulations for the first time on 1 October 2018. These amendments will be applied prospectively to appropriate transactions of CECONOMY AG.

**IFRS 9 (Financial Instruments)**
The new IFRS 9 (Financial Instruments) will replace IAS 39 (Financial Instruments: Recognition and Measurement) covering the classification and measurement of financial instruments.

Financial instruments are recognised when the company preparing the financial statements becomes a contractual partner and thus has acquired the rights of the financial instrument or assumed comparable obligations. As a rule, the initial measurement of financial assets and liabilities is at fair value adjusted for transaction costs, if applicable. Only trade receivables without a significant financing component are recognised at the transaction price.

Regulations for classification must be taken into account at the time of recognition. In accordance with IAS 39, the subsequent measurement of a financial asset and a financial liability is linked to its classification. Financial assets are classified on the basis of the characteristics of contractual cash flow of the financial asset and the business model which the entity uses to manage the financial asset. The original four measurement categories for financial assets were reduced to two categories: financial assets recognised at amortised cost (category 1) and financial assets measured at fair value (category 2), whereby the latter category has two subcategories.

If the financial asset is held within a business model whose objective is collecting payments such as principal and interest, and if the contract terms stipulate certain payments are exclusively for principal and interest, this financial instrument will in principle be recognised at amortised cost (category 1). If the objective of the business model is collecting payments and selling financial assets, and if the payment dates are fixed, the changes in its fair value are recognised in other comprehensive income outside of profit or loss (subcategory 2 a). If these criteria are not cumulatively met, the financial asset is measured at fair value through profit or loss (subcategory 2 b). Amortised cost is determined using the effective interest method, while IFRS 13 (Fair Value Measurement) is applied to determine fair value measurement.

As a rule, equity instruments are classified as subcategory 2 b based on the classification criteria stated above. However, for equity instruments, an irrevocable election can be made upon initial recognition to classify them as subcategory 2 a. Furthermore, all debt instruments not recognised at fair value through profit or loss may be classified as subcatego-

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ry 2 b when doing so eliminates or significantly reduces a measurement or recognition inconsistency (fair value option).

In general, financial liabilities are measured at amortised cost (category 1). In some cases, however, such as with financial liabilities held for trading, fair value measurement through profit or loss is required (subcategory 2 b). Here, too, an entity may elect to apply the fair value option, that is, the measurement at fair value through profit or loss. In contrast to financial assets, financial liabilities can include embedded derivatives that are required to be separated. If separation is required, the host contract is usually measured according to the rules of category 1 and the derivative according to the rules of subcategory 2 b.

Unlike IAS 39 (which uses the "Incurred Loss Model"), IFRS 9 focuses on expected losses. This Expected Loss Model uses the General Approach, which has a fundamental three-phase record of impairments. At the first stage, impairment losses are recognised in the amount of the losses resulting from default on the financial instrument expected in the next twelve months. At stage two, the expected-credit losses that result from all possible default events over the expected life of the financial instrument must be recognised. Calculation at this stage is based on a portfolio of similar instruments. Financial instruments are reclassified from the first to the second stage when the default risk since initial recognition has increased significantly and exceeds a minimum default risk. At the third and final stage, impairment losses are recognised for additional objective indications with respect to the individual financial instrument.

A simplified approach based on the expected loss throughout the lifetime (similar to stage 2) can be applied to trade receivables, certain leasing receivables and contract assets, as well as in certain other cases.

In order to reduce the complexity and make hedge accounting more comprehensible on the statement of financial position, the following key changes were made. The scope of possible hedged items was expanded. For example, several risk positions can now be more easily combined into a single hedged item and hedged. The net position can be designated as the hedged item if the risks partially offset each other in the combined risk position. In addition, non-derivative financial instruments classified as subcategory 2 b can be designated as hedging instruments. Furthermore, thresholds are no longer stipulated for measuring effectiveness. Instead, effectiveness is assessed in reference to the economic relationship between the hedged item and hedging transaction, taking into account the hedging ratio and default risk.

IFRS 9 will come into effect in the reporting year beginning on or after 1 January 2018. CECONOMY AG will therefore apply these regulations for the first time on 1 October 2018. As part of a project dealing with the introduction of IFRS 9 at CECONOMY AG, the impact of the new standard was further analysed over the course of the financial year just ended.

CECONOMY is currently in the impact analysis phase. First, an inventory of all financial instruments in the Group as at 30 September 2016, is carried out. The financial instruments are then classified as debt capital, equity capital or derivatives based on their properties and in terms of business model and the presence of solely interest and repayment cash flows in order to identify the relevant valuation categories. In addition, the qualitative impacts from the change to the Expected Credit Loss Model and the new IFRS 9 regulations regarding financial liabilities were determined. CECONOMY currently has a manageable portfolio of fairly simple financial instruments: for example, no hedge accounting is made. Therefore, according to our current knowledge, it can be assumed that the financial instruments for which the new impairment regulations apply in the form of the general approach application will primarily be affected.

In the next step, CECONOMY will use the current findings to make a simulation of the quantitative implications of the IFRS 9 regulations to the relevant key figures. In this context, the exercising of the Fair Value Option was discussed. At the same time the future notes as well as the necessary adjustments to the accounting system will be analysed.

The impact analysis will be followed by the implementation phase of the new CECONOMY IFRS accounting, in order to show the financial instruments in compliance with IFRS 9 starting from 1 October 2018 after the "Go Live" as the final phase. In addition to the project, supported by the accounting side, an implementation project for a new IT solution in the

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Treasury department is being implemented in order to support the IFRS 9 accounting and measurement from a technical point of view, with emphasis on the accounting systems.

An amendment to the standards was published retroactively to the adoption of the new IFRS 9. It amended the regulations of IFRS 9 in that the cash flow condition is also met if compensation payments are negative. Measurement is therefore possible at amortised cost or at fair value recognised in equity. It also clarifies that, following restructuring of a financial liability, the carrying amount must be immediately adjusted through profit or loss.

The change to IFRS 9 will come into force in the reporting year starting on or after 1 January 2019. Subject to the respective EU endorsement, CECONOMY AG will therefore apply these regulations for the first time on 1 October 2019. The project dealing with the introduction of IFRS 9 at CECONOMY AG also considers the impact of the amendment.

**IFRS 10 (Consolidated Financial Statements) and IAS 28 (Investments in Associates and Joint Ventures)**
A conflict exists between the current requirements of IFRS 10 (Consolidated Financial Statements) and IAS 28 (Investments in Associates and Joint Ventures) regarding the sale or contribution of assets between an investor and its associate or joint venture. IAS 28 requires a partial gain or loss recognition, limited to the unrelated investors' interests in the investee, for all transactions between an investor and its associate or joint venture. IFRS 10, in contrast, requires that the gain or loss that arises on the loss of control of a subsidiary be recognised in full.

The amendment clarifies how to account for the gain or loss from transactions with associates or joint ventures, with the partial or full recognition requirement depending on whether or not the assets being sold or contributed are a business as defined in IFRS 3 (Business Combinations). IFRS 3 defines a business as an integrated set of activities that is required to have inputs and processes which together are used to create outputs.

If the sold or contributed asset classifies as a business, the gain or loss from the transaction must be recognised in full. In contrast, the gain or loss from the sale of assets that do not classify as a business to associates or joint ventures or their contribution to associates or joint ventures must be recognised only to the extent of the unrelated investors' interests in the associate or joint venture.

If a group of assets is to be sold or contributed in separate transactions, the investor must assess whether this group of assets constitutes a single business and should be accounted for as a single transaction.

The IASB has indefinitely deferred the original effective date of this amendment for financial years starting on or after 1 January 2016. As a result, the date of first-time application of this amendment at CECONOMY AG is unknown. As CECONOMY AG currently follows the rules of IFRS 10, future transactions will be impacted accordingly.

**IFRS 15 (Revenue from Contracts with Customers)**
The new IFRS 15 will replace IAS 18 (Revenue) and IAS 11 (Construction Contracts) and related interpretations and stipulates a uniform and comprehensive model for recognising revenue from customers.

The new standard uses a five-step model to determine the amount of revenue and the date of realisation. In the first step, contracts with the customers are identified. A contract is within the scope of IFRS 15 if it has been approved by the contractual parties, the customer's rights to goods and services and the company's payment terms can be identified, and if the agreement has commercial substance. In addition, it must be probable that the company will collect the consideration. If a company has more than one contract with a single customer at (virtually) the same time, and if the contracts are financially linked, the contracts can be combined and treated as a single contract.

As a rule, a contract as defined in IFRS 15 can include several performance obligations. Possible separate performance obligations are therefore identified within a single contract in the second step. A separate performance obligation is identified when a good or service is distinct. This is the case when the customer can use a good or service on its own

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or together with other readily available resources and it is separately identifiable from other commitments in the contract.

In the third step, the transaction price corresponding to the expected consideration is determined. The consideration may include fixed and variable components. For variable compensation, the expected amount is estimated, carefully based on either the expected value or the most probable amount, depending on which amount best reflects the amount of consideration. In addition, the consideration includes the interest rate effect if the contract includes a financing component significant to the contract, the fair value of non-cash considerations and the effects of payments made to the customer such as rebates and coupons.

The allocation of the transaction price to separate performance obligations is carried out in the fourth step. In principle, the transaction price is allocated to the separately identified, definable performance obligations in relation to the relative standalone selling price. Observable data must be used to determine the standalone selling price. If this is not possible, estimates are to be made. For this purpose, IFRS 15 suggests various methods for estimating according to which the estimates are based on market prices for similar services or expected costs plus a surcharge. In exceptional cases, the estimate can also be based on the residual value method.

In the fifth and final step, revenue is recognised at the point in time when the performance obligation is satisfied. The performance obligation is satisfied when the control of the good or service is transferred to the customer. The performance obligation can be satisfied at a point in time or over a period of time. If the performance obligation is satisfied over time, the revenue is recognised over the period the performance obligation is satisfied in a manner that best reflects the continuous transfer of control over time.

In addition to the five-step model, IFRS 15 addresses various special topics such as the treatment of costs for obtaining and fulfilling a contract, presentation of contract assets and liabilities, rights of return, commission business, customer retention and customer loyalty programmes. In addition, the disclosures in the notes are significantly expanded to include mandatory qualitative and quantitative disclosures in the future on contracts with customers, on significant estimates and judgements as well as changes over time.

The IFRS 15 will come into effect in the reporting year beginning on or after 1 January 2018. CECONOMY AG will therefore apply these regulations for the first time on 1 October 2018. As part of a project for the introduction of IFRS 15 at CECONOMY AG the consequences of the new standards as over the course of the previous financial year will be analysed.

CECONOMY is currently in the impact analysis phase. The first step identifies the business models in Germany and analyses them against the backdrop of the IFRS 15 rules, applying the five-phase model to each business model. The necessary adjustments to the accounting and valuation are then determined. Based on the current analytical results, CECONOMY assumes that the business models for “Mediating a mobile phone contract with the sale of a discounted mobile telephone”, “Sale of retail goods in connection with a cost-free service”, and “Distribution of a coupon to customers” will be made in association with one of the previously named business models through the future revenue allocation based on the individual disposal price relative to the revenue realisation in accordance with IFRS 15 in comparison to IAS 18, whereby the revenue allocation is made based on the residual value.

Currently, the findings from the taking up of business models in Germany are made available to the entire country portfolio in a second step, in order to identify additional business models. At the same time necessary future notes are also determined. In accordance with IFRS 15 CECONOMY notes will have a far greater scope in the Annex, particularly regarding the required distribution of the revenue based on categories. The design of a corresponding revenue matrix is currently under discussion.

Based on these qualitative analyses the next step involves the analysis of the quantitative impacts as well as the necessary technical adjustments in order to use these as the basis for selecting the transition methods. The implementation phase for the new CECONOMY-IFRS accounting rules will follow the impact analyses in order to show the reve-

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nue under IFRS 15 starting on 1 October 2018 for the final phase (Go Live).

A clarification was released following the adoption of the new IFRS 15. It supplements the IFRS 15 regulations with respect to the identification of performance obligations, principal versus agent considerations and the separation of licences. It also includes provisions for a simplified transition to IFRS 15.

The clarifications to IFRS 15 apply to financial years beginning on or after 1 January 2018. CECONOMY AG will therefore apply these regulations for the first time on 1 October 2018. As part of the previously initiated project to launch IFRS 15 at CECONOMY AG the impact of the clarification will also be taken into account.

**IFRS 16 (Leases)**

The new standard IFRS 16 will replace the currently applicable standard IAS 17 (Leases) and IFRIC 4 (Determining Whether an Arrangement Contains a Lease). IFRS 16 generally applies to contracts that convey the right to use an asset, rental contracts and leases, subleases and sale-and-leaseback transactions. A lessee can elect to apply IFRS 16 to leases of certain intangible assets, whereas agreements on service concessions or leasing of natural resources are outside the scope of IFRS 16.

In contrast to IAS 17, the definition of a lease in IFRS 16 focuses on the concept of control. A lease exists when a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The key change in IFRS 16 compared to IAS 17 concerns the lessee accounting model. Lessees no longer have to classify leases as operating or finance. Instead, the lessee recognises a right-of-use asset and a lease liability upon commencement of the lease when the lessor makes an underlying asset available for use by the lessee.

The lessee measures the lease liability at the present value of the lease payments payable over the lease term. The lease payments include all fixed payments less any lease incentives for the conclusion of the contract. All index and interest-based variable lease payments are added. Variable payments representing fixed payments in an economic sense are shown as well as expected payments arising from residual value guarantees. The exercise price of a purchase or lease extension option must be included if the lessee is reasonably certain to exercise that option. In addition, the lease payments must include payments of penalties for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease.

Measurement must be based on the interest rate implicit in the lease. If the lessee is unable to determine this interest rate, the lessee's incremental borrowing rate may be applied. Over the term of the lease, the lease liability is accounted for under the effective interest method in consideration of lease payments made. Changes in the calculation parameters, such as changes in the lease term, a reassessment of the likelihood that a purchase option will be exercised or expected lease payments, require remeasurement of the liability.

The right-of-use asset that must also be recognised is always capitalised in the amount of the liability. Lease payments that have already been made must be included, together with all directly attributable costs. Any payments received from the lessor that are related to the lease are deducted. Measurement also considers any reinstatement obligations from leases.

After initial recognition, the right-of-use asset can be measured at amortised cost or using the revaluation method, respectively, under IAS 16 (Property, Plant and Equipment) or IAS 40 (Investment Property). When applying the amortised cost model, the right-of-use asset is depreciated over the shorter period lease term or its useful life. On the other hand, if enough assurance is available at the start of the lease agreement that the property will be transferred to the lessee, the scheduled depreciation is made over the life of the underlying asset. IAS 36 (Impairment of Assets) must be considered.

Correspondingly, remeasurement of the lease liability to reflect changes in lease payments leads to an adjustment of the right-of-use asset outside of profit or loss, whereby any negative adjustments exceeding the

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carrying amount must be recognised through profit or loss. Negative impairments exceeding the book value are recognised as profit or loss.

Lessees can elect to make use of several policy options. Lessees can elect to apply IFRS 16 accounting to a portfolio of leases with similar characteristics. In addition, they may elect not to apply the right-of-use approach to short-term leases (with a maximum term of twelve months) and low-value assets. Low-value assets are a component of leases that, individually, are not material to the business. If a lessee elects to make use of this policy option, the lease is recognised in accordance with the previously applicable IAS 17 regulations on operating leases.

In the future, comprehensive qualitative and quantitative information must be provided in the notes to the financial statements.

The revised definition of leases also applies to the lessor and can lead to assessments deviating from IAS 17. However, the lessor continues to classify a lease as either an operating lease or a finance lease. Except for sale-and-lease-back transactions, IFRS 16 does not result in any material changes for lessors.

In the case of sale-and-leaseback transactions, the sold entity must first apply the requirements of IFRS 15 to determine whether a sale has actually occurred. If the transfer is classified as a sale in accordance with IFRS 15, the seller/lessee measures a right-of-use asset arising from the leaseback as the proportion of the previous carrying amount of the asset that relates to the right of use retained. The gain (or loss) that the seller/lessee recognises is limited to the proportion of the total gain (or loss) that relates to the rights transferred to the buyer/lessor. If the transfer is not a sale, the transaction is treated like a financing transaction without disposing of the asset.

The IFRS 16 will come into effect in the reporting year beginning on or after 1 January 2019. CECONOMY AG will apply the rules only after 1 October 2019 and thus not apply them voluntarily at an earlier date. As part of a project dealing with the introduction of IFRS 16 at CECONOMY AG, the impact of the new standard was further analysed over the course of the financial year then ended.

CECONOMY is currently in the impact analysis phase. For this purpose, an inventory of all the lease agreements in the Group was carried out on 30 June 2016 in a first step, and the quantitative effects in the change from IAS 17 to IFRS 16 determined by means of a simulation. As CECONOMY currently primarily takes the position of the lessee in operating lease agreements, the results from the analyses carried out to date, allow one to assume that, taking into account the historical lease portfolio, there will be a positive effect on the forecast-relevant management figures of EBIT and EBITDA in the year of implementation, with the intensity of the effect depending on the EBIT of the selected transition method. According to the initial estimates, we assume these key figures will be in the low to mid nine-digit range in the first year after the switch while taking into account the historical leasing profile. According to current analyses, the modified retroactive approach will be elected in the year of the transition from IAS 17 to IFRS 16 and the capitalisation of short-term lease agreements and low-value assets will be waived. Whether a negative impact is seen on equity capital or the equity capital remains unchanged is contingent upon the transition method selected. In addition to the effects listed above, the transition year will likely see a statement of financial position extension in the low billion-euro range. In parallel to the impact analysis, a tender for IT solutions will be opened, which will be used for recording data as well as the evaluation and creation of notes for lease agreements.

In the current second phase, the simulation is being run based on the data from 30 June 2017. The determination of key figures uses previous decisions pertaining to the exercise of optional rights. Then an examination of the exercised option rights and determination of the future notes will be made.

In the next step the focus will move to the implementation of the IT solutions for the CECONOMY IFRS accounting, while in the final phase – Go Live – the lease agreements valid from 1 October 2019 under IFRS 16 will be shown.

**IAS 7 (Statement of Cash Flows)**
The amendments to IAS 7 in the context of the Disclosure Initiative will require entities to provide disclosures on the following changes in liabili-

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ties arising from financing activities: changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes. Borrowings are defined as liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flow from financing activities.

In addition, the amendments state that changes in financial liabilities must be disclosed separately from changes in other assets and liabilities.

These amendments to IAS 7 apply to financial years beginning on or after 1 January 2017. CECONOMY AG will thus apply the rule for the first time on 1 October 2017 and expand their recognition correspondingly.

**Additional IFRS amendments**
At this point, the first-time application of the other standards and interpretations listed in the table as well as of other standards revised as part of the annual improvements is not expected to have a material impact on the Group's net assets, financial position and results of operations.

**Change in estimates**
As part of the capitalisation of ancillary acquisition costs to determine the amount of inventories also generated a new estimate with a positive effect of €14 million in the continued areas, which appeared as early as 31 March 2017. No such effects are expected in subsequent periods.

**Segment reporting**
As at 13 July 2017 the whole sale and food retail business – and thus the METRO Cash & Carry and Real segments (including the other relevant real estate and holding activities) – was derecognised from the current CECONOMY Group. Accordingly, the scope of segment reporting has changed. Please refer to our discussion of the demerger and segment reporting.

## Hive-down and spin-off at the former METRO GROUP

Over the course of the past financial year, the demerger of the former METRO GROUP, which was announced back in March 2016, was completed, and the Group was split into two legally independent, stock exchange-listed entities by way of hive-down and spin-off (hereinafter: spin-off). In the process the whole sale and food retail business, including real estate and thus the associated management and service activities, was transferred from the METRO AG to METRO Wholesale & Food Specialist AG (henceforth: MWFS AG). The former METRO AG retained the Consumer Electronics division. After the split the former METRO AG was re-incorporated as CECONOMY AG. The MWFS AG was then incorporated as the METRO AG.

↗ A diagram showing the naming before, during and after the split can be found in the Review chapter.

Following adoption of the appropriate resolution and approval of the demerger agreement by the Annual General Meeting of the former METRO AG on 6 February 2017, the business of METRO Wholesale & Food Specialist (MWFS) was reported separately in the consolidated statement of financial position of the former METRO AG as discontinued operations, in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), until the spin-off became effective. From then on, depreciation of the individual assets and liabilities of MWFS's business was no longer stated in the consolidated statement of financial position of the former METRO AG; instead they were measured at the lower of carrying amount and fair value less costs to sell. The values for the previous year at 30 September 2016 were not adjusted in compliance with IFRS 5. The statement of profit or loss 2016/17 states the result of MWFS's business separately as the result from discontinued operations. The payment flows from the MWFS operations are also listed as discontinued operations in the cash flow statement. The previous year's figures for the statement of profit or loss and the cash flow statement have been adjusted accordingly.

At the same time, as per resolution adopted by the Annual General Meeting in accordance with IFRIC 17 (Distributions of Non-cash Assets to Owners), a liability to distribute non-cash assets as a dividend to shareholders of the former METRO AG was recognised outside of profit or loss in the amount of €8.16 billion. This liability was measured at the fair value of the assets to be transferred and was equivalent to 90 per cent of

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the fair value of the MWFS business sector at that time. The value of the direct and indirect investment in MWFS AG that remained with the former METRO AG was not taken into consideration. The liability was recognised in equity, resulting in a decline in equity of the same amount. As a result, the former METRO AG reported negative equity temporarily, from 6 February 2107 until deconsolidation of MWFS's business.

In the subsequent period up to deconsolidation, the non-cash distribution liability was subsequently valued income neutral. On 30 June 2017, a level 2 valuation process from IFRS 13 was used to determine the fair value of the liability. The fair value was derived from market data. This involved, first, taking the stock market value of the new MWFS AG shares as calculated following the listing on 13 July 2017. Second, the stock market value, based on the development of the total stock market value of the former METRO AG (now: CECONOMY AG) was determined prior to the MWFS AG on the 30 June 2017 closing date. This produced a fair value of the liability to distribute non-cash assets as a dividend of €5.88 billion. The reduction of €2.28 billion of the liability outside of profit or loss is due, primarily, to a change in measurement method, as the liability was recognised for the first time and as at 31 March 2017 on the basis of an appraisal derived from the Company's budget plans (Level 3 method).

Accordingly, the assets and liabilities stated separately as discontinued operations were remeasured. Measurement according to IFRS 5 is based on the principle of the lower of carrying amount and fair value less costs to sell. The revaluation did not reveal any need for impairment.

The business operations of the MWFS business sector were deconsolidated from the former METRO AG when the spin-off became effective following entry in the commercial register in July 2017. In the process the non-cash distribution liabilities and discontinued operations were deconsolidated as separately listed assets. By contrast the recognition of the ten-percent participation in the MWFS AG as well as the participation in the METRO PROPERTIES AG at 6.61 per cent. In addition, following deconsolidation, receivables and liabilities between the former METRO GROUP and MWFS GROUP were recognised for the first time in the consolidated statement of financial position.

The former METRO AG changed its name to CECONOMY AG, effective 11 August 2017. MWFS AG took over the METRO AG Company on 18 August 2017.

↗ The impacts on the statement of financial position are discussed in the sections "Profit or loss for the period from continuing operations" and "Assets held for sale/liabilities related to assets held for sale".

## Consolidation group

In addition to CECONOMY AG, all companies indirectly or directly controlled by CECONOMY AG are included in the consolidated financial statements if these companies individually or as a Group are not immaterial to the consolidated financial statements. Control exists if there is a possibility to control a Company's financial and business policy through a majority of voting rights or according to the Articles of Association, Company contract or contractual agreement in order to benefit from this Company's business activities.

Following the spin-off of the wholesale and food retail business, the scope of the consolidation group of CECONOMY AG has changed considerably. Please refer to our discussion of the demerger.

Non-controlling interests exist essentially in Media-Saturn-Holding GmbH. For an overview of significant non-controlling interests, see note No. 32.

In addition to CECONOMY AG, 462 German (30/09/2016: 654) and 437 international (30/09/2016: 643) companies were included in the consolidated financial statements.

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The Group of consolidated companies changed as follows in financial year 2016/17:

| | |
|---|---|
| **As at 01/10/2016** | 1,297 |
| Changes in financial year 2016/17 | |
| Accruals from discontinued divisions prior to demerger | 42 |
| Disposals of discontinued divisions prior to demerger | 12 |
| Disposal due to demerger | 425 |
| Newly founded companies | 6 |
| Acquisition of continued divisions | 4 |
| Disposal of continued divisions | 13 |
| **As at 30/09/2017** | 899 |

Deconsolidated companies are included as Group companies up to the date of their disposal.

The new establishments pertain to five companies in Spain and one in Germany.

The acquisitions in the continued divisions primarily in the Dutch ZES Group (Electronic Repair Logistics B.V.).

The disposals in continuing operations relate to eight mergers, four liquidations and one sale.

Influences from demerger changes to the scope of consolidation are explained individually in the corresponding end-of-year items.

An affiliated subsidiary (30/09/2016: eight, of which eight from discontinued operations) was not fully consolidated for materiality reasons, but was capitalised at the acquisition costs and recognised under financial assets.

## STRUCTURED ENTITIES

At the reporting date CECONOMY does not hold any shares in structured companies (30/09/2016: eleven, of which eleven from discontinued operations). The previously recognised structured companies were leasing companies. The object of the leasing company was essentially the acquisition and the leasing and management of assets. Relationships with unconsolidated structured entities did not exist.

## INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Three associates/joint ventures (30/09/2016: 28, of which 27 from discontinued operations) were consolidated in the financial report using the equity method.

Another company (30/09/2016: three, of which two from discontinued operations) were recognised at the acquisition costs, as the reasons of materiality allowed for the equity method application to be waived.

## NON-CONTROLLING INTERESTS

Significant minorities exist, in particular, at the level of the subgroup holding company, Media-Saturn-Holding GmbH, with registered offices in Ingolstadt; its share is 21.62 per cent. In addition, other minor non-controlling interests are held in the subgroup, which can be found in the following notes. The following information is for the subgroup level in comparison to the prior year. The remaining material non-controlling interests were derecognised as part of the demerger.

On 30 September 2017 the non-controlling interests of 21.62 per cent remained unchanged relative to the previous year. The non-controlling equity interest totalled a consolidated €−2 million compared to €−24 million in the previous year. An outflow of dividends to non-controlling interests of €15 million was made, compared to €24 million in the previous year. The shareholding of controlling interests in the profit or loss for the period from continuing operations in the current years are €34 million (2015/16: €46 million). The revenues generated at the level of the subgroup amount to €22,154 million (2015/16: €21,870 million).

The following notes on the assets and liabilities include the consolidation at the subgroup level but not the consolidation at the Group level. The non-current assets on 30 September 2017 totalled €1,559 million (30/09/2016: €1,596 million), the current assets were €5,492 million (30/09/2016: €4,866 million), non-current liabilities €210 million

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(30/09/2016: €203 million) and current liabilities €6,268 million (30/09/2016: €5,803 million).

In the previous year, the following significant minorities also existed in discontinued operations, in addition to the significant minorities at the level of the subgroup holding company, Media-Saturn-Holding GmbH:

**Overview of major subsidiaries with non-controlling interests in discontinued operations**

€ million
30/09/2016

| | | Non-controlling interests | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Name | Head office | in % | As at 30/09/2016 | Dividends paid | Non-current assets | Current assets | Non-current liabilities | Current liabilities | Sales | Profit shares |
| METRO Jinjiang Cash & Carry Co., Ltd. | Shanghai, China | 10.00 | 9 | 0 | 276 | 738 | 3 | 856 | 2,635 | 4 |

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At the Media-Saturn-Holding GmbH (MSH) Shareholder Meeting, resolutions need to pass with 80 percent approval of the votes; however, the competency of the shareholder meeting is limited to primarily shareholder matters. Such matters include the release of the annual financial report, the utilisation of net profit, the approval of Company management, the appointment of a financial report auditor, and the appointment and dismissal of managing directors. The appropriation of net profit is regulated in the MSH Articles of Association, which dictate the full disposal of net income as dividends. Thus the annual profit of the Company plus and profit carryforwards and minus and loss carryforwards is distributed in the full amount to the shareholders. Any deviation from this principle requires the unanimous approval of the Shareholder Meeting. Note that the appointment and dismissal of the managing directors is also limited, as CECONOMY has reserved the sole right to appoint and dismiss the managing director. Materially relevant Company activities, such as the approval of the budget for MediaMarktSaturn Retail Group, do not fall under the remit of the Shareholder Meeting but is an approval competency granted to HSH's existing advisory commission, where CECONOMY has the majority of the seats, and where a majority require a simple majority of the votes cast. The legal rules limiting conflicts of interests also apply.

↗ A complete list of Group companies and associates is given in No. 55 – Overview of the major fully consolidated Group companies. A complete listing of all consolidated companies as well as associated companies under No. 57 for companies with the controlling interest is held by CECONOMY AG as at 30 September 2017 pusuant to Section 313 German Commercial Code (HGB).

## Consolidation principles

The financial statements of German and foreign subsidiaries included in the consolidated accounts are prepared using uniform accounting and valuation methods as required by IFRS 10 (Consolidated Financial Statements).

Consolidated companies that, unlike CECONOMY AG, do not close their financial year on 30 September prepared interim financial statements for IFRS consolidation purposes. In principle, subsidiaries are fully consolidated insofar as their consolidation is of material importance to the presentation of a true and fair view of the net assets, financial position and results of operations.

In accordance with IFRS 3 (Business Combinations), capital consolidation is effected using the purchase method. In the case of business combinations, the carrying amounts of the investments are offset against the revalued pro rata equity of the subsidiaries as of their acquisition dates. Any positive differences remaining after the allocation of hidden reserves and hidden burdens are capitalised as goodwill. Goodwill is tested for impairment regularly once a year, or more frequently if changes in circumstances indicate a possible impairment. If the carrying amount of a unit that was assigned goodwill exceeds the recoverable amount, an impairment loss of the goodwill is recognised to the amount of the difference between both values.

In addition, in the case of company acquisitions, hidden reserves and burdens attributable to non-controlling interests must be disclosed and reported in equity as "non-controlling interests". CECONOMY does not use the option to recognise the goodwill attributable to non-controlling interests. In accordance with IFRS 3, any negative differences remaining after the allocation of hidden reserves and hidden burdens, as well as after another review during the period in which the business combination took place, are recognised through profit or loss.

Purchases of additional shareholdings in companies where a controlling interest has already been acquired are recognised as equity transactions. As a result, the assets and liabilities are not remeasured at fair value, nor are any gains or losses recognised. Any differences between the cost of the additional shareholding and the carrying amount of the net assets on the date of acquisition are directly offset against the capital attributable to the buyer.

Any impairment losses and reversals of impairment losses to shares in consolidated subsidiaries carried in the individual financial statements are reversed.

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Investments in associates and joint ventures are accounted for using the equity method and treated in accordance with the principles applying to full consolidation, with existing goodwill being included in the amount capitalised for investments. The recognition of income from investments in associates, joint ventures and joint operations in the statement of profit or loss depends on whether the investee carries out operating or non-operating activities. Operating activities include the retail and wholesale businesses as well as related support activities (for example, renting/leasing of retail properties, procurement, logistics). Income from operating associates, joint ventures and joint operations is recognised in EBIT; income from non-operating entities is recognised in the net financial result. Any deviating accounting and measurement methods used in the financial statements of entities valued using the equity method are retained as long as they do not substantially contradict CECONOMY's uniform accounting and valuation methods.

In accordance with IFRS 11, the individual partners in joint arrangements recognise their portion of jointly held assets and jointly incurred liabilities in their own statement of financial position.

Intra-Group profits and losses are eliminated; sales, expenses and income as well as receivables and liabilities and/or provisions are consolidated. Interim results in fixed assets or inventories resulting from intragroup transactions are eliminated unless they are of minor significance. In accordance with IAS 12 (Income Taxes), deferred taxes are recognised for consolidation procedures.

Unrealised gains from transactions with companies accounted for using the equity method are derecognised against the investment in the amount of the Group's share in the investee.

In joint arrangements, each of the partner companies recognises its own portion of sales, income and expenses resulting from the joint arrangement in its statement of profit or loss.

A reduction in the holding in a subsidiary must be recognised in reserves retained from earnings as an equity transaction outside of profit or loss as long as the parent company can continue to exercise control. If a reduction in the holding or its complete disposal entails a loss of control, full consolidation of the subsidiary is ended when the parent company has lost its control opportunity over the subsidiary. All assets, liabilities and equity items that were previously fully consolidated will then be derecognised at amortised group carrying amounts. Deconsolidation of the derecognised holdings is carried out in line with the general rules on deconsolidation. Any remaining residual shares are recognised at fair value as a financial instrument according to IAS 39 or as a holding valued using the equity method pursuant to IAS 28.

## Currency translation

### FOREIGN CURRENCY TRANSACTIONS

In the subsidiaries' separate financial statements, transactions in foreign currency are valued at the rate prevailing on the transaction date. Monetary assets and liabilities in foreign currency are valued at the closing date exchange rate. Non-monetary assets and liabilities that are measured at fair value in foreign currency are translated at the rate prevailing at the time the fair value was determined. Non-monetary items measured at historical acquisition or production costs in foreign currency are translated at the rate valid at the transaction date.

In principle, gains and losses from exchange rate fluctuations incurred until the closing date are recognised in profit or loss. Currency translation differences from receivables and liabilities in foreign currency, which must be regarded as a net investment in a foreign operation, equity instruments held for sale, and qualified cash flow hedges are reported as reserves retained from earnings outside of profit or loss.

### FOREIGN OPERATIONS

The annual financial statements of foreign subsidiaries are translated into euros according to the functional currency concept of IAS 21 (The Effects of Changes in Foreign Exchange Rates). The functional currency is defined as the currency of the primary economic environment of the subsidiary. Since all consolidated companies operate as financially, economically and organisationally autonomous entities, their respective local currency is the functional currency. The translation of the assets and liabilities is thus performed using the report date rate for the closing

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date. The items in the income state are generally translated using the average rate for the financial year. Differences from the translation of the financial statements of foreign subsidiaries do not affect income and are shown as separate items under reserves retained from earnings. To the extent that foreign subsidiaries are not under the full control of the parent company, the relevant share of currency differences is allocated to the non-controlling interests.

Currency differences are recognised through profit or loss in the net financial result in the year in which the operations of a foreign subsidiary are deconsolidated or terminated. In a partial disposal in which a controlling interest in the foreign subsidiary is retained, the relevant share of cumulated currency differences is allocated to the non-controlling interests. Should foreign associates or jointly controlled entities be partially sold without the loss of significant influence or joint control, the relevant share of the cumulated currency differences is recognised in the statement of profit or loss.

In financial year 2016/17, no functional currency of a consolidated Company was classified as hyperinflationary as defined by IAS 29 (Financial Reporting in Hyperinflationary Economies).

The following exchange rates were applied in the translation of key currencies outside the European Monetary Union that are of major significance for CECONOMY:

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| | | Average exchange rate per € | | Exchange rate at closing date per € | |
|---|---|---|---|---|---|
| | | 2015/16 | 2016/17 | 30/09/2016 | 30/09/2017 |
| Egyptian pound | EGP | 9.25176 | 18.79223 | 9.85335 | 20.78390 |
| Bosnian mark | BGN | 1.95583 | 1.95583 | 1.95583 | 1.95583 |
| British pound | GBP | 0.78209 | 0.87177 | 0.86103 | 0.88178 |
| Croatian kuna | HRK | 1.95583 | 1.95583 | 1.95583 | 1.95583 |
| Chinese renminbi | CNY | 7.25857 | 7.52183 | 7.44630 | 7.85340 |
| Danish krone | DKK | 7.45069 | 7.43772 | 7.45130 | 7.44230 |
| Hong Kong dollar | HKD | 8.62172 | 8.59544 | 8.65470 | 9.22140 |
| Indian rupee | INR | 74.22463 | 72.61794 | 74.36550 | 77.06900 |
| Indonesian rupiah | IDR | 14,923.41000 | 14,704.02000 | 14,566.22000 | 15,888.51000 |
| Indian rupee | JPY | 124.09443 | 122.90301 | 113.09000 | 132.82000 |
| Indonesian rupiah | KZT | 370.06902 | 360.51395 | 375.52000 | 402.64000 |
| Japanese yen | HRK | 7.55920 | 7.46142 | 7.52200 | 7.49500 |
| Moroccan dirham | MAD | 10.86310 | 10.85997 | 10.91235 | 11.11785 |
| Moldovan leu | MDL | 22.09941 | 21.12759 | 22.16110 | 20.74650 |
| Norwegian krone | NOK | 9.36916 | 9.18636 | 8.98650 | 9.41250 |
| Norwegian krone | PKR | 116.46653 | 116.00002 | 116.96670 | 124.35150 |
| Pakistani rupee | PLN | 4.33360 | 4.29356 | 4.31920 | 4.30420 |
| Polish zloty | RON | 4.47856 | 4.54062 | 4.45370 | 4.59930 |
| Pound sterling | RUB | 75.28270 | 65.71585 | 70.51400 | 68.25190 |
| Romanian leu | SEK | 9.35415 | 9.62646 | 9.62100 | 9.64900 |
| Russian rouble | CHF | 1.09130 | 1.09089 | 1.08760 | 1.14570 |
| Serbian dinar | RSD | 122.49388 | 122.45092 | 123.29290 | 119.36590 |
| Singapore dollar | SGD | 1.53280 | 1.53981 | 1.52350 | 1.60310 |
| Swedish krona | CZK | 27.04140 | 26.67131 | 27.02100 | 25.98100 |
| Swiss franc | TRY | 3.25276 | 3.88674 | 3.35760 | 4.20130 |
| Turkish lira | UAH | 27.55541 | 29.07864 | 28.94817 | 31.37857 |
| Hungarian forint | HUF | 312.27877 | 308.69863 | 309.79000 | 310.67000 |
| US dollar | USD | 1.11098 | 1.10467 | 1.11610 | 1.18060 |
| Vietnamese dong | VND | 24,274.08000 | 24,607.59000 | 24,585.96000 | 26,487.30000 |

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## Statement of profit or loss

### RECOGNITION OF INCOME AND EXPENSES

In accordance with IAS 18 (Revenue), **sales and other operating income** are reported as soon as the service is rendered or the goods are delivered. In the latter case, the timing is determined by the transfer of risk to the customer. Where customers are granted the right to return goods and cancel services, sales are recognised only if the probability of return can be reliably estimated. To this end, return rates are calculated on the basis of historical data and projected to future take-back obligations. No sales are recognised for the portion allocated to the expected returns; instead, a provision is recognised. Sales are shown after deduction of value added tax, rebates and discounts. Gross amounts are shown – that is, at the level of the customer payment (less sales tax and revenue reduction) – where the Company assumes the essential opportunities and risks associated with the sale of the goods or services. Net sales are shown for commission transactions, as defined by the Company. Sales revenues from contracts with several contractual components (for example, sale of goods plus additional services) are realised when the respective contractual components have been fulfilled. Sales are realised based on the estimated relative fair value of the individual contractual components.

Performance-based **government grants** attributable to future periods are recognised on an accrual basis according to the corresponding expenses. Performance-based grants for subsequent periods which have already been received are shown as deferred income, and the corresponding income is recognised in subsequent periods.

**Operating expenses** are recognised as expenses upon use of the service or on the date of their causation.

The **financial result** primarily includes interest income as well as foreign exchange effects. Interest is recognised as income or expenses and, where applicable, on an accrual basis using the effective interest method. Debt capital interest that is directly attributable to the acquisition or production of a qualified asset represents an exception as it must be capitalised as part of the acquisition or production costs of the asset pursuant to IAS 23 (Borrowing Costs). As a rule, dividends are recognised as income when the legal claim to payment arises.

### INCOME TAXES

**Income taxes** concern direct taxes on income and deferred taxes. As a rule, they are recognised through profit or loss unless they are related to business combinations or an item that is directly recognised in equity or other comprehensive income.

## Statement of financial position

### GOODWILL

In accordance with IFRS 3 (Business Combinations), **goodwill** is capitalised. Goodwill resulting from business combinations is attributed to the group of cash-generating units (CGUs) that benefits from the synergies of this business combination. In accordance with IAS 36 (Impairment of Assets), a CGU is defined as the smallest identifiable group of assets that generates cash inflows largely independently from the cash inflows of other assets or groups of assets. As a rule, single locations represent CGUs at CECONOMY. They are generally monitored at the level of the organisational unit in each country. The goodwill associated with the sales lines carved out as part of the demerger are monitored at the level of the three customer clusters – Horeca, Traders and Multispecialists – at METRO Cash & Carry, but at the level of the sales line organisational units in each country at Real. Goodwill impairment tests are therefore conducted at the level of the respective group of cash-generating units.

Goodwill is regularly tested for impairment once a year – or more frequently if changes in circumstances indicate a possible impairment. If an impairment exists, an impairment loss is recognised through profit or loss. To determine a possible impairment, the recoverable amount of a CGU is compared to the respective carrying amount of the CGU. The recoverable amount is the higher of value in use and fair value less costs to sell. An impairment of the goodwill allocated to a CGU applies only if the recoverable amount is lower than the total of carrying amounts. No reversal of impairment loss is performed if the reasons for the impairment in previous years have ceased to exist.

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## OTHER INTANGIBLE ASSETS

**Purchased other intangible assets** are recognised at cost of purchase. In accordance with IAS 38 (Intangible Assets), **internally generated intangible assets** are capitalised at their production cost. Research costs, in contrast, are not capitalised, but immediately recognised as expenses. The cost of manufacture includes all expenditure directly attributable to the development process. This may include the following costs:

| | |
|---|---|
| **Direct costs** | Direct material costs |
| | Direct production costs |
| | Special direct production costs |
| **Overheads** | Material overheads |
| (directly attributable) | Production overheads |
| | Depreciation/amortisation/impairment losses on property, plant and equipment |
| | Development-related administrative costs |

Borrowing costs are factored into the determination of production costs only in the case of qualified assets pursuant to IAS 23 (Borrowing Costs). Qualified assets are defined as non-financial assets that take a substantial period of time to prepare for their intended use or sale.

The subsequent measurement of other intangible assets with a finite useful life takes place based on the cost model. No use is made of the revaluation option. All other intangible assets of CECONOMY with a finite useful life are subject to straight-line amortisation. Capitalised proprietary and acquired software as well as comparable intangible assets are amortised over a period of ten years, and licences primarily over the course of their life. These intangible assets are examined for indications of impairment at each closing date. If the recoverable amount is below the amortised acquisition or production cost, an impairment loss is recognised. The impairment loss is reversed if the reasons for the impairment in previous years have ceased to exist.

Other intangible assets with an infinite useful life are not subject to straight-line amortisation, but are subjected to an impairment test at least once a year. Impairments and value gains are recognised through profit or loss based on the historical cost principle.

## PROPERTY, PLANT AND EQUIPMENT

**Property, plant and equipment** are recognised at amortised acquisition or production cost pursuant to IAS 16 (Property, Plant and Equipment). The manufacturing cost of internally generated assets includes both direct costs and directly attributable overhead. Borrowing costs are only capitalised in relation to qualified assets as a component of acquisition or production costs. Any **Investment Grants** will be presented in compliance with IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance), by reducing the acquisition costs for the relevant asset by the amount of the grant. No accruals on liabilities are made for the grants. **Asset retirement obligations** are included in the acquisition or production costs at the discounted settlement amount. Subsequent acquisition or production costs of property, plant and equipment are only capitalised if they result in a higher future economic benefit for CECONOMY.

The scheduled depreciation of plant property and equipment is carried out using the straight line method in accordance with the acquisition cost methods in IAS 16. No use is made of the revaluation model. Throughout the Group, the planned depreciation is based on the following useful lives:

| | |
|---|---|
| Buildings | 10 to 33 years |
| Leasehold improvements | 8 to 15 years or shorter lease period |
| Business and office equipment | 3 to 13 years |
| Machinery | 3 to 8 years |

Capitalised reinstatement costs are depreciated on a pro rata basis over the useful life of the asset.

Pursuant to IAS 36, an impairment test will be carried out if there are any indications of impairment of property, plant and equipment. Impairment losses on property, plant and equipment will be recognised if the recoverable amount is below the amortised acquisition or production costs.

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Impairment losses are reversed up to the amount of amortised acquisition or production costs if the reasons for the impairment have ceased to exist.

In accordance with IAS 17 (Leases), economic ownership of leased assets is attributable to the lessee if all the material risks and rewards incidental to ownership of the asset are transferred to the lessee **(finance lease).** If economic ownership is attributable to a CECONOMY company acting as lessee, the leased asset is capitalised at fair value or at the lower present value of the minimum lease payments when the lease is signed. The scheduled depreciation will be carried out – in keeping with comparable Plant, Property and Equipment assets – over the life or over the term of the lease, should this be shorter. However, should sufficient certainty be found for the transfer of the leased property to the lessee at the end of the lease, the scheduled depreciation will extend to the end of that object's life. Payment obligations resulting from future lease payments are carried as liabilities. Conversely, they are recognised as receivables when CECONOMY is acting as the lessor.

An **operating lease** applies when economic ownership of the leased object is not transferred to the lessee. The lessee does not recognise assets or liabilities for operating leases, but merely recognises rental expenses in its statement of profit or loss over the term of the lease using the straight-line method, while CECONOMY as the lessor recognises an asset as well as a receivable.

In the case of leasing agreements relating to buildings and related land, these two elements are generally treated separately and classified as finance or operating leases.

## INVESTMENT PROPERTIES

In accordance with IAS 40 (Investment Property), **investment properties** comprise real estate assets that are held to earn rentals and/or for an increase in value. Analogous to property, plant and equipment, they are recognised at cost less depreciation and potentially required impairment losses based on the cost model. Measurement at fair value through profit or loss based on the fair value model does not apply. The scheduled depreciation of an investment property is linear over a life of 15 to 33 years. Furthermore, the fair value of these properties is stated in the notes. It is determined on the basis of recognised measurement methods, including an assessment and the consideration of project development opportunities.

## FINANCIAL ASSETS

**Financial assets (financial investments)** that do not represent **associates** under IAS 28 (Investments in Associates and Joint Ventures) or **joint ventures** under IFRS 11 (Joint Arrangements) are recognised in accordance with IAS 39 (Financial Instruments: Recognition and Measurement) and assigned to one of the following categories:

- "Loans and receivables"

- "Held to maturity"

- "At fair value through profit or loss"

- "Available for sale"

The first-time recognition of financial assets is effected at fair value. Incurred transaction costs are considered for all categories with the exception of the category "at fair value through profit or loss". Measurement is always effected at the trade date.

Depending on the classification to the categories listed above, financial assets are capitalised either at amortised cost or at fair value:

- **"Loans and receivables"** are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised at amortised cost using the effective interest method.

- The measurement category **"held to maturity"** includes non-derivative financial assets with fixed or determinable payments and fixed maturity, with the Company having both the positive intention and the ability to hold them to maturity. They are also recognised at amortised cost using the effective interest method.

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- The category **"at fair value through profit or loss"** comprises all financial assets "held for trading" as the fair value option of IAS 39 is not applied within CECONOMY. For clarification purposes, the entire category is referred to as "held for trading" in the notes to the consolidated financial statements. Financial instruments "held for trading" are financial assets that are either acquired or incurred principally for the purpose of selling or repurchasing in the near term or that are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking. Furthermore, this category includes derivative financial instruments that are not part of an effective hedge. Financial instruments "held for trading" are measured at fair value through profit or loss.

- The category **"available for sale"** represents a residual category for primary financial assets that cannot be assigned to any of the other three categories. CECONOMY does not make use of the optional designation of financial assets as "available for sale". "Available for sale" financial assets are recognised at fair value in equity. Fluctuations in the fair value of "available for sale" financial assets are recognised in other comprehensive income. The amounts recognised are not reclassified to profit or loss for the respective period until the financial asset is derecognised or lasting impairment of the assets has occurred.

Investments are assets to be classified as "available for sale". **Securities** are classified as "held to maturity", "available for sale" or "held for trading". **Loans** are classified as "loans and receivables".

Financial assets designated as **hedged items** as part of a fair value hedge are recognised at fair value through profit or loss.

Equity instruments for which no quoted price on an active market exists and the fair value of which cannot be reliably measured, as well as derivatives on such equity instruments, are recognised at cost.

At each closing date, financial assets that are not measured at fair value through profit or loss are examined for objective, substantial indications of impairment. Such indications include delayed interest or redemption payments, defaults and changes in the borrower's creditworthiness. If there are any such indications, the respective financial asset is tested for impairment by comparing the carrying amount to the present value. The present value of financial assets measured at amortised cost corresponds to the present value of expected future cash flows, discounted at the original effective interest rate. However, the present value of equity instruments measured at cost in the category "available for sale" corresponds to expected future cash flows discounted at the current market interest rate. If the present value is lower than the carrying amount, an impairment loss is recognised for the difference. Where decreases in the fair value of "available for sale" financial assets were previously recognised in other comprehensive income outside of profit or loss, these are now recognised as an impairment loss up to the amount determined.

If, at a later date, the present value increases again, the impairment loss is reversed accordingly. In the case of financial assets recognised at amortised cost, the impairment loss reversal is limited to the amount of amortised cost which would have occurred without the impairment. In the category "available for sale", the reversal of previously recognised impairment losses for equity instruments is shown outside of profit or loss in other comprehensive income, while for debt instruments it is shown in profit or loss up to the amount of the impairment loss previously recognised. Increases in value for debt instruments beyond this are recognised outside of profit or loss in other comprehensive income.

Financial assets are derecognised when the contractual rights to cash flows from the item in question are extinguished or have expired or the financial asset is transferred.

### OTHER FINANCIAL AND NON-FINANCIAL ASSETS

The financial assets included in **other financial and non-financial assets** that are classified as "loans and receivables" under IAS 39 are measured at amortised cost.

**Other assets** include, among others, derivative financial instruments to be classified as "held for trading" in accordance with IAS 39. All other receivables and assets are recognised at amortised cost.

**Prepaid expenses and deferred income** comprise transitory accruals.

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## DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities are determined using the asset-liability method in accordance with IAS 12 (Income Taxes). Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts of assets or liabilities in the consolidated financial statements and their tax base. Deferred tax assets are also considered for unused tax loss and interest carryforwards.

Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profit will be available in the future to allow the corresponding benefit of that deferred tax asset to be realised.

Deferred tax assets and deferred tax liabilities are netted if these income tax assets and liabilities concern the same tax authority and refer to the same tax subject or a group of different tax subjects that are jointly assessed for income tax purposes. Deferred tax assets are remeasured at each closing date and adjusted if necessary.

Deferred taxes are determined on the basis of the tax rates expected in each country upon realisation. In principle, these are based on the valid laws or legislation that has been passed at the time of the closing date.

The assessment of deferred taxes reflects the tax consequences arising from how CECONOMY expects to recover the carrying amounts of its assets and settle its obligations as of the closing date.

## INVENTORIES

In accordance with IAS 2 (Inventories), merchandise carried as inventories is reported at cost of purchase. The acquisition costs are recognised, either based on an individual valuation of the income from the perspective of the procurement market or through application of the average cost method. Supplier compensation to be classified as a reduction in the cost of purchase lowers the carrying amount of inventories. Ancillary purchase costs include both internal and external costs as long as they are directly attributable to the purchase process.

Merchandise is valued as at the closing date at the lower of cost or net realisable value. Merchandise is written down on a case-by-case basis if the net realisable value declines below the carrying amount of the inventories. Such net realisable value corresponds to the anticipated estimated selling price less the directly attributable direct costs necessary to make the sale.

If the reasons for writing down the merchandise have ceased to exist, the previously recognised impairment loss is reversed.

CECONOMY's inventories never meet the definition of qualified assets. As a result, interest expenses on borrowings relating to inventories are not capitalised pursuant to IAS 23 (Borrowing Costs).

## TRADE RECEIVABLES

In accordance with IAS 39, trade receivables are classified as "loans and receivables" and recognised at amortised cost. Where their recoverability appears doubtful, the trade receivables are recognised at the lower present value of the estimated future cash flows. Aside from the required specific bad debt allowances, lump-sum specific bad debt allowances account for the general credit risk.

## INCOME TAX ASSETS AND LIABILITIES

The disclosed income tax assets and liabilities concern domestic and foreign income taxes for the reporting period as well as previous years. They are determined in compliance with the tax laws of the respective country.

In addition, the effects of tax risks are considered in the determination of income tax liabilities. The premises and assessments underlying these risks are regularly reviewed and taken into consideration in the determination of income tax.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cheques, cash balances, balances at lending institutions other short-term liquid financial assets such as the available balance on attorney escrow accounts or funds currently in transit, with an original maturity of no more than three months. They are valued at the respective nominal amount.

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## NON-CURRENT ASSETS HELD FOR SALE, LIABILITIES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), an asset is classified as a **non-current asset held for sale** if the respective carrying amount will be recovered principally through a sale transaction rather than through continuing use. A sale must be planned and realisable within the subsequent twelve months. The valuation of the asset's carrying amount pursuant to the relevant IFRS must directly precede a first-time classification as held for sale. In case of reclassification, the asset is measured at the lower of carrying amount and fair value less costs to sell and presented separately in the statement of financial position. Liabilities related to assets held for sale are also presented separately in the statement of financial position.

In accordance with IFRS 5, a **discontinued operation** is recognised as such if it is held for sale or has already been disposed of. An operation is a component of an entity representing a separate material business operation or geographical business operation which forms part of an individual, approved plan for divestment of a separate material business operation or geographical business operation or represents a subsidiary that was acquired solely for resale. The valuation of the component of an entity's carrying amount pursuant to the relevant IFRS must directly precede the first-time classification as being held for sale. In case of reclassification, the discontinued operation is measured at the lower value of carrying amount and fair value less costs to sell. Discontinued operations are presented separately in the statement of profit or loss, the statement of financial position, the cash flow statement, and the segment reporting, and explained in the notes. With the exception of the statement of financial position, the previous year's amounts are restated accordingly. Internal Group relationships with discontinued operations are not recognised in the statement of financial position up to the point of deconsolidation. The statement of profit or loss will then recognise performance relationships between continuing and discontinued operations income/expenses within the continuing operations should the performance relationships also remain in place after deconsolidation.

## EMPLOYEE BENEFITS

Employee benefits include:

- Short-term employee benefits
- Pensions
- Obligations similar to pensions
- Termination benefits
- Share-based compensation

**Short-term employee benefits** include wages and salaries, social security contributions, vacation pay and sickness benefits and are recognised as liabilities at the repayment amount as soon as the associated job performance has been rendered.

**Pensions** are provided in the context of defined benefit or defined contribution plans. In the case of **defined contribution plans**, period-relevant contribution obligations to the external pension provider are recognised as expenses for post-employment benefits at the same time as the beneficiary's job performance is rendered. Missed payments or prepayments to the pension provider are accrued as liabilities or receivables. Liabilities with a term of more than twelve months are discounted.

The actuarial measurement of provisions for pensions as part of a **defined benefit plan** is effected in accordance with the projected unit credit method stipulated by IAS 19 (Employee Benefits) on the basis of actuarial opinions. Based on biometric data, this method takes into account known pensions and pension entitlements at the closing date as well as expected increases in future wages and pensions. Where the employee benefit obligations, as determined, or the fair value of the plan assets increase or decrease between the beginning and end of a financial year as a result of experience adjustments (for example, a higher fluctuation rate) or changes in underlying actuarial assumptions (for example, the discount rate), this will result in actuarial gains or losses. These are recognised in other comprehensive income with no effect on profit or loss.

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Effects of plan changes and curtailments are recognised fully under service costs through profit or loss. The interest element of the addition to the provision contained in the pension expense is shown as interest paid under the financial result. Insofar as plan assets exist, the amount of the provision is generally the result of the difference between the present value of defined benefit obligations and the fair value of the plan assets.

**Provisions for obligations similar to pensions** (such as anniversary allowances and death benefits) are comprised of the present value of future payment obligations to the employee or their surviving dependants less any associated assets measured at fair value. The amount of provisions is determined on the basis of actuarial opinions in line with IAS 19. Actuarial gains and losses are recognised in profit or loss in the period in which they are incurred.

**Termination benefits** comprise severance payments to employees. These are recognised as liabilities through profit or loss when contractual or factual payment obligations towards the employee are to be made in relation to the termination of the employment relationship. Such an obligation is given when a formal plan for the early termination of the employment relationship exists to which the Company is bound. Benefits with terms of more than twelve months after the closing date must be recognised at their present cash value.

The share bonuses granted under the share-based payment system are classified as **"cash-settled share-based payments"** pursuant to IFRS 2 (Share-based Payment). Proportionate provisions measured at the fair value of the obligations entered into are formed for these payments. The proportionate formation of the provisions is prorated over the underlying vesting period and recognised in profit or loss as personnel expenses. The fair value is remeasured at each closing date during the vesting period until exercised based on an option pricing model. Provisions are adjusted accordingly in profit or loss.

Where granted share-based payments are hedged through corresponding hedging transactions, the hedging transactions are measured at fair value and shown under other financial and non-financial assets. The portion of the hedges' value fluctuation that corresponds to the value of fluctuation of the share-based payments is recognised in personnel expenses. The surplus amount of value fluctuations is recognised in other comprehensive income outside of profit or loss.

## (OTHER) PROVISIONS

In accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), **(other) provisions** are formed if legal or constructive obligations to third parties exist that are based on past business transactions or events and will probably result in an outflow of financial resources that can be reliably determined. The provisions are stated at the anticipated settlement amount with regard to all identifiable risks attached. With individual obligations, the settlement amount with the highest possible probability of occurrence is used. If the determination of the provision for an individual situation results in a range of equally probable settlement amounts, the provision will be set at the average of these settlement amounts. For a multitude of uniform situations, the provision is set at the expected value resulting from the weighting of all possible results with the related probabilities.

Long-term provisions with a term of more than one year are discounted to the closing date using an interest rate for matching maturities which reflects current market expectations regarding interest rate effects. Provisions with a term of less than one year are discounted accordingly if the interest rate effect is material. Claims for recourse are not netted with provisions, but recognised separately as an asset if their realisation is considered virtually certain.

Provisions for onerous contracts are formed if the unavoidable costs of meeting the obligations under a contract exceed the expected economic benefits resulting from the contract. Provisions for deficient rental cover related to leased objects are based on a consideration of individual leased properties. Provisions in the amount of the present value of the funding gap are formed for all closed properties or properties with deficient rental cover. In addition, a provision is created for store-related risks related to leased, operational or not yet closed stores insofar as a deficient cover of operational costs or a deficient rental cover despite

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consideration of a possible subleasing for the respective location arises from current corporate planning over the basic rental term.

Provisions for restructuring measures are recognised if a constructive obligation to restructure was formalised by means of the adoption of a detailed restructuring plan and its communication vis-à-vis those affected as of the closing date. Restructuring provisions comprise only obligatory restructuring expenses that are not related to the Company's current activities.

Warranty provisions are formed based on past warranty claims and the sales of the current financial year.

#### FINANCIAL LIABILITIES

In accordance with IAS 39, **financial liabilities** that do not represent liabilities from finance leases are assigned to one of the following categories:

– "At fair value through profit or loss" ("held for trading")

– "Other financial liabilities"

The first-time recognition of financial liabilities and subsequent measurement of financial liabilities **"held for trading"** is effected based on the same stipulations as for financial assets.

The category **"other financial liabilities"** comprises all financial liabilities that are not "held for trading". They are carried at amortised cost using the effective interest method as the fair value option is not applied within CECONOMY.

Financial liabilities designated as the hedged item in a fair value hedge are carried at their fair value. The fair values indicated for the financial liabilities in the notes have been determined on the basis of the interest rates prevailing on the closing date for the remaining terms and redemption structures.

In principle, financial liabilities from finance leases are carried at the present value of future minimum lease payments.

A financial liability is derecognised only when it has expired, that is to say, when the contractual obligations have been redeemed or annulled, or have expired.

#### OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES

Other financial liabilities and other liabilities are generally recognised at the repayment amount.

Prepaid expenses and deferred charges comprise transitory accruals.

#### TRADE PAYABLES

Trade payables are recognised at amortised cost.

### Other

#### CONTINGENT LIABILITIES

Contingent liabilities are, on the one hand, possible obligations arising from past events whose existence is confirmed only by the occurrence or non-occurrence of uncertain future events that are not entirely under the Company's control. On the other hand, contingent liabilities represent current obligations arising from past events for which, however, an outflow of economic resources is not considered probable or whose amount cannot be determined with sufficient reliability. In accordance with IAS 37, such liabilities are not recognised in the statement of financial position but disclosed in the notes. Contingent liabilities are determined on the basis of the principles applying to the measurement of provisions.

#### ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Derivative financial instruments are used solely for hedging purposes. They are used in accordance with the respective Group guideline.

In accordance with IAS 39, all derivative financial instruments are recognised at fair value and shown under other financial and non-financial assets or other financial and non-financial liabilities.

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The derivative financial instruments are valued using the interbank conditions possibly including the credit margins or stock market values for CECONOMY. The median price for the closing date is applied. Where no stock exchange prices can be used, the fair value is determined by means of recognised financial models.

In the case of an effective hedge accounting transaction (hedge accounting) pursuant to IAS 39, changes in the fair values of the derivatives designated as fair value hedges and of the risk hedged in the underlying transaction are reported in profit or loss. In cash flow hedges, the effective portion of the fair value change of the derivative is recognised in other comprehensive income outside of profit or loss. Reclassification to the statement of profit or loss occurs only when the underlying transaction generates a profit or loss. The ineffective portion of the change in value of the hedging instrument is immediately reported in profit or loss.

## SUPPLIER COMPENSATION

Depending on the underlying circumstances, supplier compensation is recognised as a reduction in the cost of purchase, reimbursement or payment for services rendered. Supplier compensation is accrued at the closing date insofar as it has been contractually agreed upon and is likely to be realised. Accruals relating to supplier compensation tied to certain calendar year targets are based on projections.

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## Summary of selected measurement methods

| Item | Measurement method |
|---|---|
| **Assets** | |
| Goodwill | Cost of purchase (subsequent measurement: impairment test) |
| Other intangible assets | |
| Purchased other intangible assets | (Amortised) cost |
| Internally generated intangible assets | Development costs (direct costs and directly attributable overhead) |
| Property, plant and equipment | (Amortised) cost |
| Investment properties | (Amortised) cost |
| Financial assets | |
| "Loans and receivables" | (Amortised) cost |
| "Held to maturity" | (Amortised) cost |
| "At fair value through profit or loss" ("held for trading") | At fair value through profit or loss |
| "Available for sale" | At fair value recognised in equity |
| Inventories | Lower of cost and net realisable value |
| Trade receivables | (Amortised) cost |
| Cash and cash equivalents | At nominal value |
| Assets held for sale | Lower of carrying amount and fair value less costs to sell |
| **Equity and liabilities** | |
| Provisions | |
| Provisions for pensions and similar obligations | Projected unit credit method (benefit/years of service method) |
| Other provisions | Discounted settlement amount (with highest probability of occurrence) |
| Financial liabilities | |
| "At fair value through profit or loss" ("held for trading") | At fair value through profit or loss |
| "Other financial liabilities" | (Amortised) cost |
| Other financial and non-financial liabilities | At settlement amount or fair value |
| Trade payables | (Amortised) cost |

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## Judgements, estimates and assumptions

The preparation of the consolidated financial statements was based on a number of **judgements, estimates and assumptions** that had an effect on the value and presentation of the reported assets, liabilities, income and expenses as well as contingent liabilities.

### JUDGEMENTS

Information on the key discretionary decisions that materially affected the amounts reported in these consolidated financial statements can be found in the following notes:

- Determination of the consolidation group by assessing control opportunities (chapter: "Consolidation group"). Aside from structured entities (special purpose entities), this particularly concerns investments where the control opportunity is not necessarily tied in with a simple majority of voting rights due to special regulations in the Articles of Association.
- Classification of leases as finance leases or operating leases – including sale-and-leaseback transactions (No. 2 – Other operating income, and No. 20 – Property, plant and equipment)
- Determination whether CECONOMY is the principal or agent in sales transactions (No. 1 – Sales)
- Estimation of the expected date of conclusion of a transaction with respect to the classification as "non-current assets held for sale, liabilities related to assets held for sale and discontinued operations" (No. 31 – Assets held for sale / liabilities related to assets held for sale).

### ESTIMATES AND ASSUMPTIONS

Information on estimates and underlying assumptions with significant effects on these consolidated financial statements is included in the following notes:

- Uniform group determination of life for depreciable assets (No. 14 – Scheduled depreciation and impairment, No. 19 – Other intangible assets, and No. 20 – Property, plant and equipment)
- Occasion-related audit of the recoverability of depreciable assets (No. 14 – Scheduled depreciation and impairment, No. 19 – Other intangible assets and No. 20 – Property, plant and equipment)
- Annual audit of the recoverability of business or company valuations (No. 18 – Goodwill)
- Collectibility and accrual of receivables – particularly supplier receivables and provisions (No. 24 – Other financial and non-financial assets)
- Accrued recognition of supplier payments (No. 26 – Inventories, and No. 24 – Other financial and non-financial assets)
- Ability to realise future tax receivables – particularly from tax loss carryforwards (No. 25 – Deferred tax assets/ deferred tax liabilities)
- Measurement of inventories (No. 26 – Inventories)
- Determination of provisions for post-employment benefit plans (No. 33 – Provisions for pensions and similar obligations)
- Determination of other provisions – for example, for deficient rental cover and onerous contracts, restructuring, warranties, taxes and risks emerging from legal proceedings and litigation (No. 34 – Other provisions (non-current)/provisions (current))

Although great care has been taken in making these estimates and assumptions, actual values may deviate from them in individual cases. The estimates and assumptions used in the consolidated financial statements are regularly reviewed. Changes are taken into account at the time new information becomes available.

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# Capital management

The goals of the CECONOMY capital management strategy include the securing of business operations, increasing the value of the Company, the creation of solid capital base for financing future growth as well as the securing of attractive dividend payments and servicing of capital.

The CECONOMY capital management strategy has not changed from the previous year.

### EQUITY AND LIABILITIES AS WELL AS NET LIQUIDITY/ NET DEBT IN THE CONSOLIDATED FINANCIAL STATEMENT

The equity capital was valued at €666 million (30/09/2016: €5,332 million), whilst borrowings were €7,614 million (30/09/2016: €19,620 million).

Net liquidity as at 30 September 2017 was €317 million (30/09/2016: Net debt was €2,301 million, of which €2,943 million from discontinued operations). The transition from net debt to net liquidity was primarily the result of discontinued operations.

| € million | 30/09/2016 | 30/09/2017 |
|---|---|---|
| **Equity** | **5,332** | **666** |
| **Borrowings** | **19,620** | **7,614** |
| **Net liquidity (+)/net debt (-)** | **–2,301** | **317** |
| Financial liabilities (incl. finance leases) | 4,759 | 544 |
| Cash and cash equivalents according to the statement of financial position | 2,368 | 861 |
| Current investments[1] | 90 | 0 |

[1] Shown in the statement of financial position under other financial and non-financial assets (current)

### LOCAL CAPITAL REQUIREMENTS

The CECONOMY capital management strategy is consistently focused on making sure the consolidated companies are supplied with capital sufficient for local conditions. During the current financial year, all external capital requirements were fulfilled. This includes, for example, adherence to a defined level of indebtedness or a fixed equity ratio.

# Notes on company mergers

As per the purchase agreement of 7 July 2016, the former METRO GROUP acquired 100 per cent of the shares in Pro à Pro from ETS FR Colruyt SA on 1 February 2017. The group is composed of individual companies consolidated under COLRUYT France SAS, France. The purchase price was in the mid-triple digit million euros range and was paid in cash. The initial consolidation was made in Q2 2016/2017 and was component of the METRO Cash & Carry segment.

The fair value of the acquired assets and debt of the consolidated group was composed of the following at the time of purchase:

| € million | |
|---|---|
| **Assets** | |
| Other intangible assets | 41 |
| Property, plant and equipment | 61 |
| Deferred tax assets | 9 |
| Inventories | 53 |
| Trade receivables | 105 |
| Other financial and non-financial assets (current) | 22 |
| Entitlements to income tax refunds | 0 |
| Cash and cash equivalents | 70 |
| | **361** |
| **Liabilities** | |
| Provisions for pensions and similar obligations | 5 |
| Other provisions | 4 |
| Financial liabilities (non-current) | 1 |
| Deferred tax liabilities | 17 |
| Trade payables | 99 |
| Financial liabilities (current) | 1 |
| Income tax liabilities | 0 |
| Other financial and non-financial liabilities (current) | 16 |
| | **143** |

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The trade receivables included in the above mentioned assets correspond to the respective contractually agreed amounts and are regarded as fully recoverable.

The initial consolidation of Pro à Pro should be viewed as provisional as pertains to the determination of the final purchase price as well as the valuation of the assets and liabilities. The purchase of Pro à Pro generated Goodwill equivalent to €34 million, primarily contingent on the future potential earnings generated from the expected synergy effects between Pro à Pro and the French arm of the METRO Cash & Carry wholesale organisation.

Pro à Pro is part of the discontinued operations and will be deconsolidated over the course of the demerger.

Starting from the time of the initial consolidation on 1 February 2017 to the deconsolidation on 1 July 2017, Pro à Pro had sales revenue of €313 million (of which with external third parties €303 million) and a profit or loss for the period of €2 million (annual net income), which was recognised as a current result from discontinued operations. Pro à Pro currently has 1,826 employees.

Assuming the company had been acquired on 1 October 2016, Pro à Pro would have had revenues of €542 million and a profit or loss for the period of €5 million prior to deconsolidation.

# Notes on the Statement of profit or loss

## 1. SALES

The (net) sales revenue primarily resulted from the sale of goods and was composed of the following:

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Sale of goods | 20,569 | 20,776 |
| Services & Solutions sales | 1,301 | 1,379 |
| | **21,870** | **22,155** |

Revenue increased by 1.3 per cent over the previous year. The clear driver of growth was online sales, which contributed 10.9 per cent in the 2016/2017 financial year after making an 8.9 per cent contribution in the previous year.

40 new locations were opened in financial year 2016/2017. A total of ten locations were closed. Five of them were in Russia, two in both Belgium and Turkey and one in Switzerland. The store network was increased to 1,053 locations as at the closing date.

The revenue performance according to business segments is presented in the segment reporting.

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## 2. OTHER OPERATING INCOME

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Rent including claiming of ancillary rental costs | 8 | 8 |
| Cost reimbursements | 56 | 57 |
| Services rendered to suppliers | 16 | 17 |
| Gains from the disposal of fixed assets and gains from the reversal of impairment losses | 9 | 6 |
| Income from deconsolidation | 0 | 2 |
| Miscellaneous | 84 | 76 |
| | **173** | **167** |

The income from cost reimbursements primarily concern third party services.

Services to suppliers were primarily found in the Western/Southern Europe segment at €14 million (2015/16: €15 million) and DACH had €2 million (2015/16: €1 million).

The remaining other operating income includes other revenue from damage compensation totalling €6 million (2015/16: €9 million). In addition, other income also includes the derecognition of expired liabilities of €3 million (2015/16: €3 million) as well as government support of €3 million (2015/16: €3 million).

## 3. SELLING EXPENSES

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Personnel expenses | 1,857 | 1,878 |
| Cost of material | 1,969 | 1,952 |
| | **3,826** | **3,830** |

The personal cost increases under selling costs primarily resulted from increased severance payments.

In addition, the material costs fell due to reduced spending on promotions. The impairments also fell in the 2016/2017 financial year primarily due to reduced impairments. The material costs were increased through expenses for material consumption, liquidation of reserves, and transport costs.

## 4. GENERAL ADMINISTRATIVE EXPENSES

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Personnel expenses | 233 | 254 |
| Cost of material | 264 | 298 |
| | **497** | **552** |

The general administrative expenses increased relative to the previous year for both personnel and material costs.

The cause for the increase in personnel costs primarily include the increased expenses for post-employment benefits, which were primarily caused by the release of pension obligations equivalent to €35 million, which are contrasted by the lower result in the current financial year due to scheduled cuts of €18 million.

An increase in consulting costs for legal and other services was somewhat compensated by a decline in expenses associated for consulting service associated with various IT projects.

## 5. OTHER OPERATING EXPENSES

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Losses from the disposal of property classified as non-current assets | 9 | 8 |
| Miscellaneous | 1 | 2 |
| | **10** | **10** |

The other operational expenses in the 2016/17 financial year remained at the previous year's levels.

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The losses from the disposal of property in the non-current assets primarily include expenses from the disposal of operating and business equivalent totalling €8 million (2015/16: €9 million).

## 6. OTHER INCOME FROM INVESTMENTS/EARNINGS SHARE IN OPERATING/NON-OPERATING COMPANIES RECOGNISED AT EQUITY

The other income from investments amounts to €–5 million (2015/16: €0 million). The decline is primarily the result of impairments to the shares in Locafox GmbH of €5 million.

No income was collected from investments made in Fnac Darty S.A. in Q4 of the 2016/17 financial year. The purchase price allocation also does not generate any material income for the 2016/17 financial year from the continuation for almost a month.

↗ Supplementary notes about the investment can be found under No. 23 – Financial Investments and investments recognised using the equity method.

## 7. NET INTEREST INCOME/INTEREST EXPENSES

The interest income was composed of the following:

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Interest income | 27 | 19 |
| thereof finance leases | (0) | (0) |
| thereof from post-employment benefit plans | (1) | (1) |
| thereof from financial instruments of the measurement categories according to IAS 39: | | |
| loans and receivables incl. cash and cash equivalents | (15) | (15) |
| held to maturity | (0) | (0) |
| held for trading incl. derivatives in a hedging relationship according to IAS 39 | (0) | (0) |
| available for sale | (0) | (0) |
| Interest expenses | −39 | −31 |
| thereof finance leases | (−1) | (−1) |
| thereof from post-employment benefit plans | (−17) | (−10) |
| thereof from financial instruments of the measurement categories according to IAS 39: | | |
| held for trading incl. derivatives in a hedging relationship according to IAS 39 | (0) | (0) |
| Other financial liabilities | (−2) | (−2) |
| | **−12** | **−11** |

Interest income and interest expenses from financial instruments are assigned to the measurement categories according to IAS 39 on the basis of the underlying transactions.

The slight decline in interest income is primarily the result of increased interest income in the previous year for tax reimbursements and liquidation of reserves.

The interest expenses results primarily from the interest expenses for Company pensions. The expenses included interest payment from indirect care obligations of €6 million (2015/16: €9 million) as well as direct claims of €3 million (2015/16: €7 million).

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## 8. OTHER FINANCIAL RESULT

The other financial income and expenses from financial instruments are assigned to measurement categories according to IAS 39 on the basis of the underlying transactions. Besides income and expenses from the measurement of financial instruments according to IAS 39, this also includes the measurement of foreign currency positions according to IAS 21.

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Other financial income | 33 | 6 |
| thereof currency effects | (11) | (4) |
| thereof hedging transactions | (1) | (2) |
| Other financial expenses | −42 | −16 |
| thereof currency effects | (−13) | (−17) |
| thereof hedging transactions | (−3) | (3) |
| **Other financial result** | **−10** | **−10** |
| thereof from financial instruments of the measurement categories according to IAS 39: | | |
| loans and receivables incl. cash and cash equivalents | (−2) | (−13) |
| held to maturity | (0) | (0) |
| held for trading | (−2) | (5) |
| available for sale | (0) | (0) |
| Other financial liabilities | (−6) | (−1) |
| thereof fair value hedges: | | |
| underlying transactions | (0) | (0) |
| hedging transactions | (0) | (0) |
| thereof cash flow hedges: | | |
| ineffectiveness | (0) | (0) |

The overall result from currency effects and measurement results from hedging transactions and hedging relationships totalled €−8 million (2015/16: €−4 million).

↗ For more information about possible effects from currency risks, see No. 44 – Management of financial risks.

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## 9. NET RESULTS ACCORDING TO MEASUREMENT CATEGORIES

The key effects of income from financial instruments are as follows:

2015/16

| € million | Investments | Interest | Fair value measurements | Currency translation | Disposals | Impairments | Other | Net result |
|---|---|---|---|---|---|---|---|---|
| Loans and receivables incl. cash and cash equivalents | 0 | 15 | 0 | 2 | –1 | –4 | 0 | 12 |
| Held to maturity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Held for trading incl. derivatives in a hedging relationship according to IAS 39 | 0 | 0 | –2 | 0 | 0 | 0 | 0 | –2 |
| Available for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other financial liabilities | 0 | –2 | 1 | –4 | 2 | 0 | –2 | –4 |
| | **0** | **13** | **–1** | **–2** | **1** | **–4** | **–2** | **6** |

2016/17

| € million | Investments | Interest | Fair value measurements | Currency translation | Disposals | Impairments | Other | Net result |
|---|---|---|---|---|---|---|---|---|
| Loans and receivables incl. cash and cash equivalents | 0 | 15 | 0 | –13 | 0 | –13 | 0 | –11 |
| Held to maturity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Held for trading incl. derivatives in a hedging relationship according to IAS 39 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 5 |
| Available for sale | –5 | 0 | 0 | 0 | 0 | 0 | 0 | –5 |
| Other financial liabilities | 0 | –2 | –2 | –1 | 3 | 0 | 1 | –1 |
| | **–5** | **13** | **3** | **–13** | **3** | **–13** | **1** | **–12** |

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Income and expenses from financial instruments are assigned to measurement categories according to IAS 39 on the basis of the underlying transactions.

Investment income and income effects from the disposal of investments as well as impairments/ reversals of impairments are included in other investment income. Interest income and expenses are part of the interest result. Fair value measurements and effects from other financial expenses and currency translation are included in the other financial result. Income effects from the derecognition of other financial liabilities are included in earnings before interest and taxes (EBIT). Income effects from the disposal of assets classified as available for sale are included in the other financial result to the extent that these do not concern investments. Expenses from impairments are essentially included in earnings before interest and taxes.

↗ For more information about impairments, see No. 28 – Impairments of capitalised financial instruments.

Remaining financial income and expenses included in the other financial result primarily concern bank commissions and similar expenses that are incurred within the context of financial assets and liabilities.

## 10. INCOME TAXES

Income taxes include the expected taxes on income paid or owed in the individual countries as well as deferred taxes.

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Actual taxes | 177 | 167 |
| thereof Germany | (118) | (118) |
| thereof international | (59) | (49) |
| thereof tax expenses/income of current period | (171) | (160) |
| thereof tax expenses/income of previous periods | (6) | (7) |
| Deferred taxes | 21 | 19 |
| thereof Germany | (–8) | (19) |
| thereof international | (29) | (0) |
| | **198** | **186** |

The income tax rate of the domestic companies of CECONOMY AG consists of a corporate income tax of 15 per cent plus a 5.5 per cent solidarity surcharge on corporate income tax, as well as the trade tax of 14.7 per cent given an average assessment rate of 420 per cent. Overall a total tax rate of 30.53 per cent, which is equivalent to the rate for the previous year. The income tax rates applied to foreign companies are based on the respective laws and regulations of the individual countries and vary within a range of 9 per cent and 34 per cent (2015/16: 0 to 38 per cent)

Deferred tax liabilities for financial year 2016/17 comprise expenses of €1 million from changes in tax rates (2015/16: €1 million income).

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Deferred taxes in the statement of profit or loss | 21 | 19 |
| thereof from temporary differences | (19) | (22) |
| thereof from loss and interest carryforwards | (2) | (–3) |

The income tax expenses of €186 million (2015/16: €198 million) relate completely to income from normal operations and are thus €92 million higher (2015/16: €110 million) than the expected income tax expenses of €94 million (2015/16: €88 million), which was the result of the Ger-

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man general tax rate (30.53 per cent) on the Company's annual results prior to income tax.

Reconciliation of estimated to actual income tax expenses is as follows:

| € million | 2015/16 | 2016/17 |
|---|---|---|
| **EBT (earnings before taxes)** | **290** | **308** |
| Expected income tax expenses (30.53%) | 88 | 94 |
| Effects of differing national tax rates | 5 | 3 |
| Tax expenses and income relating to other periods | 6 | 7 |
| Non-deductible business expenses for tax purposes | 24 | 28 |
| Effects of not recognised or impaired deferred taxes | 72 | 46 |
| Additions and reductions for local taxes | 6 | 5 |
| Tax holidays | −4 | −9 |
| Other deviations | 1 | 12 |
| **Income tax expenses according to the statement of profit or loss** | **198** | **186** |
| **Group tax rate** | **68.4%** | **60.6%** |

The other deviations generally concern changes to permanent differences in investment book value.

## 11. PROFIT OR LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS AFTER TAX

The current results for the spun off and deconsolidated division (see chapter "Demerger of the former METRO GROUP") were transferred along with all relevant consolidation components in the consolidated income state under "Profit or loss for the period from discontinued operations after tax". The previous year results were adjusted accordingly. As a result, profit or loss for the period from discontinued operations after tax is made up as follows:

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Sales revenue | 38,044 | 28,671 |
| Expenses | −37,167 | −27,818 |
| **Current earnings from discontinued operations before tax** | **877** | **853** |
| Income taxes on current earnings | −361 | −397 |
| **Current earnings from discontinued operations after tax** | **516** | **456** |
| Gains/losses from the remeasurement or disposal of discontinued operations before tax | 49 | 576 |
| Income taxes on gains/losses from remeasurement or disposal | 0 | 0 |
| **Gains/losses from the remeasurement or disposal of discontinued operations after tax** | **49** | **576** |
| **Profit or loss for the period from discontinued operations after tax** | **565** | **1,032** |

The profit or loss for the period from discontinued operations after tax was €1,032 million, the share thereof held by non-controlling interests is €17 million (2015/16: €13 million). The amount includes non-cash valuation/disposal earnings after taxes equal to €576 million. The current results for discontinued operations includes nine months of these operations (2015/16: twelve months), in addition the scheduled depreciation of €217 million has been suspended since February 2017 in compliance with IFRS 5. The earning per share for discontinued operations totalled €3.11.

In the 2015/16 financial year the residual effects from the sale of the department store business to Hudson's Bay Company of Toronto, Canada, in the 2014/15 financial year in the profit or loss for the period from discontinued operations after tax also included income from the valuation/disposal results of €49 million. This comprises gains from the dissolution of provisions for risks related to the sale of the department store business in the amount of €36 million as well as proceeds of €13 million from the disposal of minority stakes in several real estate companies of the Galeria Kaufhof group to its buyer. The full amount was due the shareholders or the former METRO AG.

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In the reconciliation from profit or loss for the period to total comprehensive income (other result), €73 million are included from the valuation of pension plans of the demerged and spun-off business divisions. The resulting income effect amounted to €–19 million. Equity capital previously recognised outside of the statement of profit or loss includes the reconciliation from profit or loss for the period to total comprehensive income of €–69 million, and €–513 million from currency translations at foreign subsidiaries. The income tax effects here are €20 million and €–11 million.

## 12. PROFIT OR LOSS FOR THE PERIOD ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Of profit or loss for the period attributable to non-controlling interests, profit shares accounted for €109 million (2015/16: €118 million) net income and €58 million (2015/16: €59 million) in losses. The previous year had a positive non-cash share from the restructuring of market companies of €15 million. This mainly concerns profit/loss shares of non-controlling interests in the Media-Saturn Retail Group.

## 13. EARNINGS PER SHARE

Earnings per share is determined by dividing profit or loss for the period attributable to CECONOMY AG shareholders by the weighted number of issued shares. In the calculation of earnings per share, an additional dividend is generally deducted from profit or loss for the period attributable to CECONOMY AG shareholders. There was no dilution in the reporting period or the year before from potential shares.

| | 2015/16 | 2016/17 |
|---|---|---|
| Weighted number of no-par value shares outstanding | 326,787,529 | 326,787,529 |
| Profit or loss for the period attributable to the shareholders of CECONOMY AG (€ million) | 599 | 1,102 |
| **Earnings per share in € (basic = diluted)** | **1.83** | **3.37** |
| from continuing operations | 0.14 | 0.27 |
| from discontinued operations | 1.69 | 3.11 |

The earnings per share from continuing operations was €0.27 (2015/16: €0.14).

Earnings per share from discontinued operations amounted to €3.37 (2015/16: €1.83). Earnings per share including discontinued operations include a non-cash valuation/disposal amount after tax of €576 million. In addition, €217 million from the suspension of the scheduled depreciation since February 2017 in line with IFRS 5 has had a positive effect on current earnings from discontinued operations. This effect was also non-cash.

## 14. SCHEDULED DEPRECIATION AND IMPAIRMENT

Scheduled depreciation and impairment losses of €272 million (2015/16: €315 million) include impairment losses of €45 million (2015/16: €83 million), of which €20 million (2015/16: €32 million) relate to property, plant and equipment and €19 million (2015/16: €49 million) that relate to other intangible assets. Impairment losses on intangible assets essentially concern the DACH region in the amount of €17 million. Impairment losses on property, plant and equipment largely relate to the Eastern Europe region in the amount of €11 million. The attribution of depreciation/amortisation/impairment losses in the statement of profit or loss and the affected asset categories is as follows:

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| 2015/16<br>€ million | Goodwill | Other intangible assets | Property, plant and equipment | Investment properties | Financial assets[1] | Assets held for sale | Total |
|---|---|---|---|---|---|---|---|
| Cost of sales | 0 | 41 | 1 | 0 | 0 | 0 | 42 |
| thereof depreciation/amortisation | (0) | (5) | (1) | (0) | (0) | (0) | (6) |
| thereof impairment losses | (0) | (36) | (0) | (0) | (0) | (0) | (36) |
| Selling expenses | 0 | 23 | 216 | 0 | 0 | 0 | 239 |
| thereof depreciation/amortisation | (0) | (13) | (184) | (0) | (0) | (0) | (198) |
| thereof impairment losses | (0) | (10) | (32) | (0) | (0) | (0) | (42) |
| General administrative expenses | 0 | 15 | 16 | 0 | 0 | 0 | 31 |
| thereof depreciation/amortisation | (0) | (12) | (16) | (0) | (0) | (0) | (28) |
| thereof impairment losses | (0) | (3) | (0) | (0) | (0) | (0) | (3) |
| Other operating expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof impairment losses | (0) | (0) | (0) | (0) | (0) | (0) | (0) |
| Scheduled depreciation/amortisation and impairment losses of financial assets | (0) | (80) | (233) | (0) | (0) | (0) | (313) |
| Net financial result | 0 | 0 | 0 | 0 | 3 | 0 | 3 |
| thereof impairment losses | (0) | (0) | (0) | (0) | (3) | (0) | (3) |
| **Total** | **0** | **80** | **233** | **0** | **3** | **0** | **315** |
| thereof depreciation/amortisation | (0) | (31) | (201) | (0) | (0) | (0) | (232) |
| thereof impairment losses | (0) | (49) | (32) | (0) | (3) | (0) | (83) |

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| 2016/17<br>€ million | Goodwill | Other intangible assets | Property, plant and equipment | Investment properties | Financial assets[1] | Assets held for sale | Total |
|---|---|---|---|---|---|---|---|
| Cost of sales | 0 | 6 | 2 | 0 | 0 | 0 | 8 |
| thereof depreciation/amortisation | (0) | (5) | (2) | (0) | (0) | (0) | (6) |
| thereof impairment losses | (0) | (2) | (0) | (0) | (0) | (0) | (2) |
| Selling expenses | 0 | 26 | 202 | 0 | 0 | 0 | 229 |
| thereof depreciation/amortisation | (0) | (9) | (183) | (0) | (0) | (0) | (192) |
| thereof impairment losses | (0) | (17) | (20) | (0) | (0) | (0) | (36) |
| General administrative expenses | 0 | 13 | 17 | 0 | 0 | 0 | 30 |
| thereof depreciation/amortisation | (0) | (13) | (17) | (0) | (0) | (0) | (29) |
| thereof impairment losses | (0) | (0) | (1) | (0) | (0) | (0) | (1) |
| Other operating expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof impairment losses | (0) | (0) | (0) | (0) | (0) | (0) | (0) |
| Scheduled depreciation/amortisation and impairment losses of financial assets | (0) | (46) | (221) | (0) | (0) | (0) | (267) |
| Net financial result | 0 | 0 | 0 | 0 | 6 | 0 | 6 |
| thereof impairment losses | (0) | (0) | (0) | (0) | (6) | (0) | (6) |
| **Total** | **0** | **46** | **221** | **0** | **6** | **0** | **272** |
| thereof depreciation/amortisation | (0) | (27) | (201) | (0) | (0) | (0) | (228) |
| thereof impairment losses | (0) | (19) | (20) | (0) | (6) | (0) | (45) |

[1] Valued investments included in cost

Of impairment losses of €45 million (2015/16: €83 million), €18 million were attributable to the DACH region (2015/16: €54 million), €13 million to the Eastern Europe region (2015/16: €23 million) and €8 million to the Western/Southern Europe region (2015/16: €3 million).

## 15. COST OF MATERIALS

The cost of materials for purchased goods in the amount of €17,132 million (2015/16: €16,902 million) are included in the cost of sales.

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### 16. PERSONNEL EXPENSES

Personnel expenses are composed as follows:

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Wages and salaries | 1,900 | 1,931 |
| Social security expenses, expenses for post-employment benefits and related employee benefits | 376 | 401 |
| thereof post-employment benefits | (–8) | (11) |
| | **2,276** | **2,333** |

The wages and salaries listed under personnel expenses include expenses for severance payments of €31 million (2015/16: €22 million). Furthermore, restructuring expenses of €4 million (2015/16: €2 million), which also include severance payment components, were included in wages and salaries. The short-term incentive rose slightly from €2 million to €3 million in the 2016/17 financial year. An additional component of wages and salaries is expenses for share-based payments of €4 million (2015/16: €3 million). Income from the reversal of pension obligations in the amount of €35 million was included in the prior result. These were offset in the current financial year against lower results from planned cuts in the amount of €18 million.

Annual average number of Group employees:

| Number of employees by headcount | 2015/16[1] | 2016/17 |
|---|---|---|
| Blue collar/white collar | 66,027 | 66,081 |
| Apprentices/trainees | 2,814 | 2,723 |
| | **68,841** | **68,804** |

[1] The disclosures for 2015/16 relate exclusively to the MediaMarktSaturn Retail Group.

On a personnel basis, 12,859 (2015/16: 12,274 relating to the MediaMarktSaturn Retail Group) part-time employees are taken into consideration. The number of employees working outside of Germany stood at 39,038 (2015/16: 38,947 relating to the MediaMarktSaturn Retail Group).

### 17. OTHER TAXES

Other taxes (for example, tax on land and buildings, motor vehicle tax, excise tax and transaction tax) can be broken down as follows:

| € million | 2015/16 | 2016/17 |
|---|---|---|
| **Other taxes** | **23** | **11** |
| thereof from cost of sales | (0) | (0) |
| thereof from selling expenses | (22) | (8) |
| thereof from general administrative expenses | (1) | (3) |

# Notes on the Statement of financial position

### 18. GOODWILL

Goodwill amounts to €531 million (30/09/2016: €3,361 million, of which €2,846 million from discontinued operations).

The change in continuing operations totals €17 million, €13 million of which is essentially attributable to the addition of the Dutch ZES Group (Electronic Repair Logistics B.V).

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At the closing date, the breakdown of goodwill between the major cash-generating units was as shown below:

| | 30/09/2016 | | 30/09/2017 | |
|---|---|---|---|---|
| | | WACC | | WACC |
| | € million[1] | % | € million | % |
| Media-Saturn Germany/ redcoon/RTS | 310 | 6.4 | 314 | 6.4 |
| Media-Saturn Italy | 72 | 9.2 | 72 | 6.9 |
| Media-Saturn Netherlands/ZES | 39 | 6.5 | 51 | 6.4 |
| Media-Saturn Spain | 49 | 9.3 | 49 | 6.8 |
| METRO Cash & Carry Horeca | 1,126 | 6.3 | - | - |
| Real Germany | 638 | 5.1 | - | - |
| METRO Cash & Carry Multispecialists | 630 | 7.4 | - | - |
| METRO Cash & Carry Trader | 332 | 9.5 | - | - |
| Other companies | 165 | - | 45 | - |
| | **3,361** | | **531** | |

[1] The previous year's data were adjusted for better comparability.

Based on IFRS 3 regulations in connection with IAS 36, an annual impairment test is carried out on goodwill. This is carried out at the level of a group of cash-generating units. This group is generally the organisation unit per country.

Media-Saturn Germany, redcoon-Group, RTS-Group, Media-Saturn Netherlands and ZES-Group are exceptions from the classification into an organisation unit per country. Due to their close organisational connection, they form the groups of cash-generating units of Media-Saturn Germany/redcoon/RTS and Media-Saturn Netherlands/ZES. The impairment test compares the cumulative carrying amount of the group of cash-generating units with the recoverable amount. The fair value less sales costs was used as the recoverable amount, calculated from the discounted future cash flow and by means of fair value hierarchy level 3 input parameters.

↗ A description of the fair values hierarchy is given under item 41, carrying amounts, and fair values according to valuation categories.

Expected future cash flows are based on a qualified planning process under consideration of intra-Group experience as well as macroeconomic data collected by third-party sources. The detail planning period generally covers three years. Following on from the detail planning period, a growth rate of 1 per cent is generally assumed, as in the previous year. The capitalisation rate as the weighted average cost of capital (WACC) is determined using the capital asset pricing model. In the process, an individual peer group is assumed for all groups of cash-generating units operating in the same business segment. Capitalisation interest rates are further determined under the assumption of a basic interest rate of 1.24 per cent (30/09/2016: 0.9), a market risk premium of 6.75 per cent (30/09/2016: 6.75 per cent) in Germany, and a beta factor of 0.99 (30/09/2016: 1.03 to 1.13). Country-specific risk premiums based on the respective country rating are applied to the equity cost of capital and to the debt cost of capital. The capitalisation interest rates individually determined for each group of cash-generating units after taxes were between 6.4 and 6.9 per cent (30/09/2016: 5.1 to 9.5 per cent).

The mandatory annual impairment test as at 30 June 2017 resulted in the following assumptions regarding the development of sales, EBIT and the EBIT margin targeted for valuation purposes during the detailed planning period, with the EBIT margin reflecting the ratio of EBIT to net sales:

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| | Sales | EBIT | EBIT margin | Detail planning period (years) |
|---|---|---|---|---|
| Media-Saturn Germany/ redcoon/RTS | Slight growth | Solid growth | Solid growth | 3 |
| Media-Saturn Italy | Solid growth | Substantial growth | Substantial growth | 3 |
| Media-Saturn Netherlands/ZES | Solid growth | Substantial growth | Solid growth | 3 |
| Media-Saturn Spain | Solid growth | Solid growth | Slight growth | 3 |

As at 30 June 2017, the prescribed annual impairment test confirmed the recoverability of all capitalised goodwill.

In addition to the impairment test, three sensitivity analyses were conducted for each group of cash-generating units. A growth rate decreased by one percentage point was assumed for the first sensitivity analysis. The capitalisation interest rate was raised by 10 per cent for each group of cash-generating units during the second sensitivity analysis. In the third sensitivity analysis, a lump sum discount of 10 per cent was applied to assumed perpetual EBIT. An impairment loss would not result from the assumptions underlying these changes for any group of cash-generating units.

As at 30 September 2017, no indication of an impairment loss emerged, meaning that goodwill did not have to be rechecked for impairment.

| € million | Goodwill |
|---|---|
| **Acquisition or production costs** | |
| As at 01/10/2015 | 3,928 |
| Currency translation | 0 |
| Additions to consolidation group | 60 |
| Disposals | 0 |
| Reclassifications in IFRS 5 | 0 |
| Transfers | 0 |
| As at 30/09 / 01/10/2016 | 3,988 |
| Currency translation | 1 |
| Additions to consolidation group | 17 |
| Disposals | 0 |
| Reclassifications in IFRS 5 | –3,474 |
| Transfers | 0 |
| As at 30/09/2017 | 531 |
| **Scheduled depreciation and impairment losses** | |
| As at 01/10/2015 | 627 |
| Currency translation | 0 |
| Additions | 0 |
| Additions to impairment losses | 0 |
| Disposals | 0 |
| Reclassifications in IFRS 5 | 0 |
| Reversals of impairment losses | 0 |
| Transfers | 0 |
| As at 30/09 / 01/10/2016 | 627 |
| Currency translation | 1 |
| Additions | 0 |
| Additions to impairment losses | 0 |
| Disposals | 0 |
| Reclassifications in IFRS 5 | –627 |
| Reversals of impairment losses | 0 |
| Transfers | 0 |
| As at 30/09/2017 | 0 |
| Carrying amount at 01/10/2015 | 3,301 |
| Carrying amount at 30/09/2016 | 3,361 |
| **Carrying amount at 30/09/2017** | **531** |

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## 19. OTHER INTANGIBLE ASSETS

| € million | Intangible assets without goodwill | (thereof internally generated intangible assets) |
| --- | --- | --- |
| **Acquisition or production costs** | | |
| As at 01/10/2015 | 1,864 | (940) |
| Currency translation | 1 | (0) |
| Additions to consolidation group | 52 | (0) |
| Additions | 160 | (61) |
| Disposals | –84 | (–44) |
| Reclassifications in IFRS 5 | 0 | (0) |
| Transfers | –7 | (–3) |
| As at 30/09 / 01/10/2016 | 1,986 | (954) |
| Currency translation | 7 | (0) |
| Additions to consolidation group | 5 | (0) |
| Additions | 84 | (25) |
| Disposals | –15 | (7) |
| Reclassifications in IFRS 5 | –1,683 | (–904) |
| Transfers | 1 | (2) |
| As at 30/09/2017 | 386 | (70) |
| **Scheduled depreciation and impairment losses** | | |
| As at 01/10/2015 | 1,399 | (793) |
| Currency translation | 1 | (0) |
| Additions | 116 | (60) |
| Additions to impairment losses | 52 | (1) |
| Disposals | –72 | (–37) |
| Reclassifications in IFRS 5 | 0 | (0) |
| Reversals of impairment losses | 0 | (0) |
| Transfers | –7 | (–21) |
| As at 30/09 / 01/10/2016 | 1,489 | (797) |
| Currency translation | 1 | (0) |
| Additions | 56 | (21) |
| Additions to impairment losses | 19 | (0) |
| Disposals | –12 | (7) |
| Reclassifications in IFRS 5 | –1,267 | (–761) |
| Reversals of impairment losses | 0 | (0) |
| Transfers | 0 | (0) |
| As at 30/09/2017 | 285 | (50) |
| Carrying amount at 01/10/2015 | 464 | (147) |
| Carrying amount at 30/09/2016 | 497 | (157) |
| **Carrying amount at 30/09/2017** | **100** | **(20)** |

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Other intangible assets have both a limited economic useful life and an unlimited useful life. Intangible assets with a finite useful life are subject to amortisation. Intangible assets with unlimited useful life that would need to undergo an annual or occasion-contingent impairment test no longer existed after the spin-off.

From additions of €84 million, €11 million related to internally generated software, €30 million to concessions, rights and licences, and €43 million to software under development.

Additions to scheduled amortisation to other intangible assets included €29 million scheduled amortisation from discontinued operations provided it was allocated to the period until the reclassification of these operations pursuant to IFRS 5. Scheduled depreciation of €27 million was attributable to the continuing operations of CECONOMY (2015/16: €31 million). They are recognised at €13 million (2015/16: €12 million) under general management costs, €9 million (2015/16: €13 million), under distribution costs and €5 million (2015/16: €5 million) under sales costs.

Of impairment losses of €19 million (2015/16: €52 million), €17 million (2015/16: €50 million) concern concessions, rights and licences purchased, €0 million (2015/16: €1 million) internally generated software and €2 million (2015/16: €1 million) rental rights and rights of use.

Expenses for research and development recorded as an expense mainly concern internally generated software and amounted to €0 million in the 2016/17 financial year (2015/16: €21 million, of which €21 million from discontinued operations).

As in the previous year, no restrictions on property or title exist for intangible assets. Purchase obligations for intangible assets of €3 million (30/09/2016: €1 million, of which €1 million from discontinued operations) were recorded.

### 20. PROPERTY, PLANT AND EQUIPMENT

As at 30 September 2017, property plant and equipment of €858 million (30/09/2016: €8,141 million, of which €7,260 million from discontinued operations) was recognised. The development of property, plant and equipment is reflected in the table below:

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| € million | Land and buildings | Other equipment, factory and office equipment | Construction in progress | Total |
|---|---|---|---|---|
| **Acquisition or production costs** | | | | |
| As at 01/10/2015 | 9,629 | 7,605 | 217 | 17,451 |
| Currency translation | −19 | −2 | 0 | −21 |
| Additions to consolidation group | 1 | 4 | 0 | 5 |
| Additions | 290[1] | 502 | 345 | 1,136 |
| Disposals | −190 | −520 | −22 | −732 |
| Reclassifications in IFRS 5 | −8 | 0 | 0 | −8 |
| Transfers | 128 | 194 | −325 | −2 |
| As at 30/09 / 01/10/2016 | 9,832 | 7,783 | 215 | 17,830 |
| Currency translation | 154 | 16 | 1 | 171 |
| Additions to consolidation group | 0 | 2 | 0 | 2 |
| Additions | 26 | 217 | 71 | 314 |
| Disposals | −42 | −206 | −7 | −256 |
| Reclassifications in IFRS 5 | −9,934 | 4,873 | −174 | −14,981 |
| Transfers | 7 | 77 | −83 | 1 |
| As at 30/09/2017 | 43 | 3,015 | 23 | 3,081 |
| **Scheduled depreciation and impairment losses** | | | | |
| As at 01/10/2015 | 4,267 | 5,220 | 9 | 9,496 |
| Currency translation | −18 | 0 | 0 | −18 |
| Additions | 319 | 475 | 7 | 801 |
| Additions to impairment losses | 13 | 39 | 1 | 53 |
| Disposals | −161 | −477 | 0 | −637 |
| Reclassifications in IFRS 5 | −5 | 0 | 0 | −5 |
| Reversals of impairment losses | 0 | −6 | 0 | −6 |
| Transfers | −6 | 10 | 0 | 4 |
| As at 30/09 / 01/10/2016 | 4,409 | 5,262 | 17 | 9,688 |
| Currency translation | 30 | 2 | 1 | 33 |
| Additions | 108 | 297 | 1 | 406 |
| Additions to impairment losses | 5 | 25 | 0 | 30 |
| Disposals | −29 | −177 | 0 | −206 |
| Reclassifications in IFRS 5 | −4,500 | 3,205 | −19 | −7,723 |
| Reversals of impairment losses | −2 | −3 | 0 | −5 |
| Transfers | −7 | 7 | 0 | 0 |
| As at 30/09/2017 | 15 | 2,207 | 0 | 2,222 |
| Carrying amount at 01/10/2015 | 5,362 | 2,384 | 208 | 7,955 |
| Carrying amount at 30/09/2016 | 5,424 | 2,520 | 197 | 8,141 |
| **Carrying amount at 30/09/2017** | **27** | **808** | **23** | **858** |

[1] Including reclassifications from "assets held for sale" to property, plant and equipment

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The decrease in property, plant and equipment from €8,141 million to €858 million is mainly due to the spin-off.

Additions to scheduled depreciation on property, plant and equipment included depreciation from discontinued operations in the amount of €204 million, provided it was allocated to the period until the reclassification of these operations pursuant to IFRS 5. Scheduled depreciation of €201 million was attributable to CECONOMY (2015/16: €201 million). Thereof €17 million (2015/16: €16 million) was recognised under general management costs, €183 million (2015/16: €185 million) under distribution costs and €2 million (2015/16: €1 million) under sales costs.

There are no restrictions on title in the form of liens and encumbrances for items of property, plant and equipment (30/09/2016: €30 million, of which €30 million from discontinued operations).

For items of property, plant and equipment, purchase obligations in the amount of €15 million (30/09/2016: €148 million, of which €124 million from discontinued operations) were recorded.

## 21. LEASES

Assets that CECONOMY had at its disposal due to a financial lease amounted to €24 million (30/09/2016: €903 million, of which €890 million from discontinued operations). The mainly concerned rented buildings.

Financial leases are generally concluded over a basic term of between ten and 25 years with the option of extending the least at least once for five years after the basic term expires.

In addition to financial leases, there are rental leases that must be qualified as operating leases according to their economic substance. Operating leases are usually concluded for a basic term of up to fifteen years. Leases include payments partially based on variable and partially based on fixed rental interest.

Payments due under finance and operating leases in subsequent periods are shown as follows:

| € million | Up to 1 year | 1 to 5 years | Over 5 years |
|---|---|---|---|
| **Finance leases as at 30/09/2016** | | | |
| Leasing payments to be made in future (nominal) | 173 | 655 | 1,074 |
| Discount | −13 | −137 | −499 |
| Present value | 159 | 518 | 574 |
| **Operating leases as at 30/09/2016** | | | |
| Leasing payments to be made in future (nominal) | 1,251 | 3,754 | 2,947 |

| € million | Up to 1 year | 1 to 5 years | Over 5 years |
|---|---|---|---|
| **Financial leases as at 30/09/2017** | | | |
| Leasing payments to be made in future (nominal) | 4 | 12 | 18 |
| Discount | −1 | −2 | −1 |
| Present value | 3 | 11 | 18 |
| **Operating leases as at 30/09/2017** | | | |
| Leasing payments to be made in future (nominal) | 647 | 1,700 | 451 |

Decreases in leasing payments from operating and financial leases to be made in future in the three periods result from the deconsolidation of the discontinued sector.

Leasing payments from financial leases to be paid in future include the purchase price payments necessary for exercising more favourable purchasing options in the amount of €9 million (30/09/2016: €28 million, of which €19 million from discontinued operations).

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There are no leasing payments that will be paid to CECONOMY in future from properties that are classified as financial leases (subletting) (30/09/2016: €262 million, of which €262 million from discontinued operations).

Leasing payments that will be paid to CECONOMY in future from properties that are classified as operating leases (subletting) stand at a nominal amount of €6 million (30/09/2016: €492 million, of which €477 million from discontinued operations).

The profit or loss for the period includes expenses from leases in the amount of €664 million (2015/16: €1,338 million, of which €674 million from discontinued operations), income from rental leases in the amount of €8 million (2015/16: €264 million, of which €256 million from discontinued operations).

Rental payments from financial leases recorded as an expense in the profit and loss for the period amount to €0 million (2015/16: €4 million, of which €4 million from discontinued operations). Expenses recorded from operating leases from contingent rental payments amount to €42 million (2015/16: €56 million, of which €15 million from discontinued operations).

CECONOMY is not entitled to any claims to receive leasing payments for properties under legal ownership (previous year €292 million, of which €292 million from discontinued operations).

| € million | Up to 1 year | 1 to 5 years | Over 5 years |
|---|---|---|---|
| **Operating leases as at 30/09/2016** | | | |
| Leasing payments to be expected in future (nominal) | 48 | 122 | 122 |

| € million | Up to 1 year | 1 to 5 years | Over 5 years |
|---|---|---|---|
| **Operating leases as at 30/09/2017** | | | |
| Leasing payments to be expected in future (nominal) | 0 | 0 | 0 |

## 22. INVESTMENT PROPERTIES

Investment properties are recognised at depreciated cost. As at 30 September 2017, a total of €0 million (30/09/2016: €126 million, of which €126 million from discontinued operations) was recognised. The development of these properties is reflected in the table below:

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| € million | Investment properties |
|---|---|
| **Acquisition or production costs** | |
| As at 01/10/2015 | 484 |
| Currency translation | 1 |
| Additions to consolidation group | 0 |
| Additions | 1 |
| Disposals | –92 |
| Reclassifications in IFRS 5 | –27 |
| Transfers in connection with property, plant and equipment | 9 |
| As at 30/09 / 01/10/2016 | 376 |
| Currency translation | 3 |
| Additions to consolidation group | 0 |
| Additions | 2 |
| Disposals | 0 |
| Reclassifications in IFRS 5 | –379 |
| Transfers in connection with property, plant and equipment | –2 |
| As at 30/09/2017 | 0 |
| **Scheduled depreciation and impairment losses** | |
| As at 01/10/2015 | 314 |
| Currency translation | 0 |
| Additions | 10 |
| Additions to impairment losses | 1 |
| Disposals | –53 |
| Reclassifications in IFRS 5 | –17 |
| Reversals of impairment losses | –10 |
| Transfers in connection with property, plant and equipment | 3 |
| As at 30/09 / 01/10/2016 | 250 |
| Currency translation | 0 |
| Additions | 2 |
| Additions to impairment losses | 0 |
| Disposals | 0 |
| Reclassifications in IFRS 5 | –252 |
| Reversals of impairment losses | 0 |
| Transfers in connection with property, plant and equipment | 0 |
| As at 30/09/2017 | 0 |
| Carrying amount at 01/10/2015 | 170 |
| Carrying amount at 30/09/2016 | 126 |
| **Carrying amount at 30/09/2017** | **0** |

The total of the fair value of this "Property held as financial investments" is €0 million (30/09/2016: €183 million, of which €183 million from discontinued operations). The fair vales from the previous year could not be determined based on the observed market prices. The fair values were therefore determined in accordance with internationally recognised assessment methods, in particular by means of the comparable value method and the discounted cash flow method (level 3 of the three-level assessment hierarchy of IFRS 13 [assessment at fair value]). A detailed planning period of ten years is therefore taken as a basis. In addition to market rent, the discounting interest rates derived from the market were used as important assessment parameters. The determination of discounting interest rates is based on the analysis of the property markets in question along with the evaluation of comparable transactions and market publications from international consulting firms. The discounting interest rates defined in this way therefore reflect both the respective country and location risk as well as the specific property risk. Furthermore, as part of determining the best possible use, project developments were also examined.

Property held as financial investments concerned only the discontinued segment, meaning that in the ongoing financial year no rental income or associated expenses from these properties were shown. In the 2015/16 financial year, rental income from these properties amounted to €23 million, €10 million of which was from financial leases. Expenses of €17 million, €8 million of which was from financial leases, is associated with this rental income. For properties without any rental income, no expenses were incurred in the previous year.

Restrictions on title in the form of liens and encumbrances amounted to €5 million in the previous year for the discontinued segment. No purchase obligations were recorded in the previous year for property held as financial investments.

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## 23. FINANCIAL INVESTMENTS AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| € million | Loans | Investments | Securities | Total financial assets |
|---|---|---|---|---|
| **Acquisition or production costs** | | | | |
| As at 01/10/2015 | 46 | 84 | 2 | 133 |
| Currency translation | 1 | 0 | 0 | 1 |
| Additions to consolidation group | 0 | 0 | 0 | 0 |
| Additions | 15 | 16 | 0 | 31 |
| Disposals | −3 | −74 | 0 | −77 |
| Reclassifications in IFRS 5 | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 24 | 24 |
| As at 30/09 / 01/10/2016 | 58 | 27 | 26 | 112 |
| Currency translation | 1 | 0 | 0 | 1 |
| Additions to consolidation group | 0 | 0 | 0 | 0 |
| Additions | 3 | 6 | 7 | 16 |
| Disposals | −1 | −1 | 0 | −2 |
| Reclassifications in IFRS 5 | −47 | −25 | −9 | −82 |
| Transfers | 0 | 120 | −24 | 96 |
| As at 30/09/2017 | 13 | 127 | 0 | 141 |
| **Scheduled depreciation and impairment losses** | | | | |
| As at 01/10/2015 | 0 | 16 | 0 | 16 |
| Currency translation | 0 | 0 | 0 | 0 |
| Additions | 0 | 0 | 0 | 0 |
| Additions to impairment losses | 3 | 3 | 0 | 6 |
| Disposals | 0 | −14 | 0 | −14 |
| Reclassifications in IFRS 5 | 0 | 0 | 0 | 0 |
| Reversals of impairment losses | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 |
| As at 30/09 / 01/10/2016 | 4 | 5 | 0 | 8 |
| Currency translation | 0 | 0 | 0 | 0 |
| Additions | 0 | 0 | 0 | 0 |
| Additions to impairment losses | 1 | 5 | 0 | 5 |
| Disposals | 0 | 0 | 0 | 0 |
| Reclassifications in IFRS 5 | −4 | −4 | 0 | −8 |
| Reversals of impairment losses | 0 | 0 | 0 | 0 |

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| | | | | |
|---|---|---|---|---|
| Transfers | 0 | 0 | 0 | 0 |
| As at 30/09/2017 | 0 | 6 | 0 | 6 |
| Carrying amount at 01/10/2015 | 46 | 69 | 2 | 117 |
| Carrying amount at 30/09/2016 | 55 | 23 | 26 | 104 |
| **Carrying amount at 30/09/2017** | **13** | **122** | **0** | **135** |

Shares in the current METRO AG of 1 per cent and 6.61 per cent in METRO PROPERTIES GmbH & Co. KG are included in the financial assets as at 30 September 2017. These are included in the above the table under "Transfers".

The directly held share by CECONOMY AG of approximately 1 per cent in the current METRO AG is marked by a vesting period of seven years with regard to taxes, i.e. it cannot be sold without accepting negative tax consequences.

On 19 September 2016, CECONOMY AG and the current METRO AG concluded an options agreement on the retained limited partner's share in METRO PROPERTIES GmbH & Co. KG. In this agreement, CECONOMY AG grants the current METRO AG a call option and the current METRO AG grants CECONOMY AG a put option with regard to this limited partner's share of CECONOMY AG. The options may be exercised only in specific timeframes of six months each. The call option may be exercised for the first time three years after the spin-off comes into effect and the put option may be exercised for the first time seven years after the spin-off comes into effect. The sale, transfer and pledge of Company shares is connected with contractual approval requirements.

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| € million | Investments accounted for using the equity method |
|---|---|
| **Acquisition or production costs** | |
| As at 01/10/2015 | 191 |
| Currency translation | 0 |
| Additions to consolidation group | 0 |
| Additions | 13 |
| Disposals | −15 |
| Reclassifications in IFRS 5 | 0 |
| Transfers | 0 |
| As at 30/09 / 01/10/2016 | 190 |
| Currency translation | 0 |
| Additions to consolidation group | 0 |
| Additions | 458 |
| Disposals | −2 |
| Reclassifications in IFRS 5 | −184 |
| Transfers | −5 |
| As at 30/09/2017 | 458 |
| **Scheduled depreciation and impairment losses** | |
| As at 01/10/2015 | 7 |
| Currency translation | 0 |
| Disposals | 0 |
| Reclassifications in IFRS 5 | 0 |
| Reversals of impairment losses | −5 |
| Transfers | 0 |
| As at 30/09 / 01/10/2016 | 2 |
| Currency translation | 0 |
| Disposals | 0 |
| Reclassifications in IFRS 5 | −2 |
| Reversals of impairment losses | 0 |
| Transfers | 0 |
| As at 30/09/2017 | 0 |
| Carrying amount at 01/10/2015 | 184 |
| Carrying amount at 30/09/2016 | 188 |
| **Carrying amount at 30/09/2017** | **458** |

On 26 July 2017, CECONOMY AG signed an agreement to purchase approximately 24.33 per cent of the shares in Fnac Darty S.A. issued on 30 June 2017 from Artemis S.A. The transaction was completed on 24 August 2017.

With this purchase, CECONOMY is investing in the French consumer electronics market for the first time, with a volume of approximately €30 billion. Fnac Darty S.A. has a market share of approximately 23 per cent.

Fnac Darty S.A. was included in the consolidated financial statements of CECONOMY in its last available financial statements as at 30 June 2017. Investments recognised in the previous year according to the equity method will be assigned to discontinued operations.

**Transition of Fnac Darty S.A. financial market information to the investment carrying value as at 30/09/2017**

| | € million |
|---|---|
| 100% net assets | 939 |
| CECONOMY share in net assets 24.329% | 228 |
| Adjustments at fair value, in particular goodwill and intangible assets in consideration of deferred taxes | 230 |
| **Investment carrying value** | **458** |

Information on the profit or loss for the period is published by Fnac Darty S.A. in the second and fourth annual quarters only. This information is the basis for updating the equity investment. No result was recorded for the investment in Fnac Darty S.A. added in the fourth quarter of the 2016/17 financial year. Based on the purchase price allocation, there was no significant effect on the update for just under one month in the 2016/17 financial year.

Details on major investments accounted for using the equity method are listed in the following table. Due to the spin-off, equity investments in, inter alia, Habib Metro Pakistan, OPCI FWP and OPCI FWS and Mayfair Group, previously held in the discontinued segment, were disposed of.

Except for Habib Metro Pakistan (closing date 30 June), all the other named companies had 31 December as the closing date. With their last

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available financial statements, the companies were included in the consolidated financial statements of the previous year.

| | Fnac Darty S.A.[1] | | Habib Metro Pakistan | | OPCI FWP | | OPCI FWS | | Mayfair Group[2] | | Miscellaneous | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| € million | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 | 2015/16 | 2016/17 |
| **Size of investment (in %)** | – | 24.33 | 40 | – | 4.99 | – | 24.99 | – | 40 | – | – | – | – | – |
| **Market capitalisation** | – | 521 | – | – | – | – | – | – | – | – | – | – | – | 521 |
| **Carrying amount** | – | 458 | 47 | – | 9 | – | 41 | – | 80 | – | 11 | 0 | 188 | 458 |
| **Notes to the statement of profit or loss** | – | | | | | | | | | | | | | |
| Sales | – | 3,216 | 12 | – | 24 | – | 23 | – | 16 | – | 29 | 2 | 104 | 3,218 |
| Earnings after taxes from continuing operations | – | −15 | 6 | – | 14 | – | 15 | – | 9 | – | 5 | 0 | 49 | −15 |
| Earnings after taxes from discontinued operations | – | −88 | 0 | – | 0 | – | 0 | – | | – | | 0 | 0 | −88 |
| Other comprehensive income | – | −18 | 0 | – | 0 | – | 0 | – | | – | | 0 | 0 | −18 |
| Total comprehensive income | – | −122 | 6 | – | 14 | – | 15 | – | 9 | – | 5 | 0 | 49 | −122 |
| Dividend payments to the group | – | 0 | 0 | – | 0 | – | 0 | – | | – | 0 | 0 | 0 | 0 |
| **Notes to the statement of financial position** | – | | | | | | | | | | | | | |
| Non-current assets | – | 2,691 | 61 | – | 271 | – | 261 | – | 201 | – | 84 | 0 | 878 | 2,691 |
| Current assets | – | 1,861 | 15 | – | 1 | – | 4 | – | 5 | – | 17 | 0 | 42 | 1,861 |
| Non-current liabilities | – | 1,461 | 3 | – | 100 | – | 100 | – | | – | 84 | 0 | 287 | 1,461 |
| Current liabilities | – | 2,152 | 1 | – | 0 | – | 0 | – | 5 | – | 14 | 0 | 20 | 2,152 |

[1] Information according to the Interim Financial Reports as at 30 June 2017 for the period 1 January 2017 to 30 June 2017.
[2] The Mayfair Group consists of ten property companies.

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## 24. OTHER FINANCIAL AND NON-FINANCIAL ASSETS

| | 30/09/2016 | | | 30/09/2017 | | |
|---|---|---|---|---|---|---|
| | | Remaining term | | | Remaining term | |
| € million | Total | up to 1 year | more than 1 year | Total | up to 1 year | more than 1 year |
| Receivables due from suppliers | 1,774 | 1,745 | 29 | 1,246 | 1,246 | 0 |
| Miscellaneous financial assets | 516 | 460 | 56 | 743 | 735 | 8 |
| **Other financial assets** | **2,290** | **2,205** | **85** | **1,989** | **1,981** | **8** |
| Other tax receivables | 365 | 365 | 0 | 87 | 87 | 0 |
| Prepaid expenses and deferred charges | 339 | 139 | 199 | 82 | 68 | 14 |
| Miscellaneous non-financial assets | 29 | 25 | 4 | 1 | 1 | 0 |
| **Other non-financial assets** | **733** | **529** | **203** | **170** | **155** | **15** |
| **Other financial and non-financial assets** | **3,023** | **2,734** | **289** | **2,159** | **2,136** | **22** |

Receivables from suppliers of €1,246 million (30/09/2016: €1,774 million, of which €562 million from discontinued operations) mainly include both invoiced payments and demarcations for delayed payments from suppliers (for example bonuses and promotion rebates).

The miscellaneous financial assets in particular consist of short-term securities of €584 million, which were added during the spin-off. These relate to the nine-per cent share in METRO AG and are recognised at fair value outside of profit or loss. Further components include receivables from credit card transactions in the amount of €68 million (30/09/2016: €104 million, of which €75 million from discontinued operations), receivables from other financial transactions in the amount of €1 million (30/09/2016: €100 million, of which €99 million from discontinued operations), receivables and other assets relating to real estate in the amount of €6 million (30/09/2016: €24 million, of which €20 million from discontinued operations), receivables from damages in the amount of €1 million (30/09/2016: €8 million, of which €4 million from discontinued operations).

Other tax reimbursement claims include not yet offsettable pre-taxes of €52 million (30/09/2016: €182 million, of which €133 million from discontinued operations) sales tax reimbursement claims of €31 million (30/09/2016: €166 million, of which €136 million from discontinued operations) and other tax reimbursement claims of €4 million (30/09/2016: €17 million, of which €11 million from discontinued operations).

Prepaid expenses and deferred charges include deferred rental, leasing and interest prepayments as well as miscellaneous deferments.

Miscellaneous non-financial assets particularly include interest receivables related to tax receivables and prepayments made on inventories.

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## 25. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES

Deferred tax assets on tax-loss carryforwards and temporary differences before offsetting amount to €123 million (30/09/2016: €1,434 million, of which €1,128 million from discontinued operations) and are €1,311 million lower than on 30 September 2016. Deferred tax liabilities before offsetting amount to €92 million (30/09/2016: €921 million, of which €842 million from discontinued operations) and are €829 million lower than on 30 September 2016. After offsetting, deferred tax assets of €39 million and deferred tax liabilities of €8 million are shown on the closing date.

Deferred taxes relate to the following statement of financial position items:

| € million | 30/09/2016 Assets | 30/09/2016 Equity and liabilities | 30/09/2017 Assets | 30/09/2017 Equity and liabilities |
|---|---|---|---|---|
| Goodwill | 82 | 174 | 1 | 3 |
| Other intangible assets | 68 | 80 | 1 | 4 |
| Property, plant and equipment and investment properties | 134 | 492 | 17 | 22 |
| Financial investments and investments accounted for using the equity method | 4 | 13 | 0 | 0 |
| Inventories | 68 | 11 | 25 | 7 |
| Other financial and non-financial assets | 49 | 57 | 2 | 25 |
| Assets held for sale | 0 | 0 | 0 | 0 |
| Provisions for pensions and similar obligations | 323 | 52 | 81 | 11 |
| Other provisions | 87 | 3 | 18 | 3 |
| Borrowings | 370 | 11 | 0 | 8 |
| Other financial and non-financial liabilities | 136 | 25 | 44 | 4 |
| Liabilities related to assets held for sale | 0 | 0 | 0 | 0 |
| Outside basis differences | 0 | 4 | 0 | 5 |
| Write-downs of temporary differences | −82 | 0 | −116 | 0 |
| Loss carryforwards | 194 | 0 | 51 | 0 |
| **Interim total before offsetting** | **1,434** | **921** | **123** | **92** |
| Offset | −771 | −771 | −84 | −84 |
| **Carrying amount of deferred taxes** | **663** | **150** | **39** | **8** |

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The decrease in deferred taxes is mainly attributable to the fact that the majority of temporary differences and the existence of tax-loss carryforwards are offset with discontinued operations as part of the spin-off. Of the adjustments on deferred taxes on temporary differences in the amount of €116 million, €68 million relate to discontinued operations. They are included in other comprehensive income unless attributable to pension obligations, and otherwise in earnings from discontinued operations. The adjusted impairment is therefore only €48 million.

Furthermore, as a consequence of the demerger in accordance with Section 15 (3) German Conversion Tax Act [Umwandlungssteuergesetz, UmwStG], the existing tax-loss carryforwards of CECONOMY AG as at 30 September 2016 declined by the ratio at which the assets of CECONOMY AG were spun off to the current METRO AG by taking the common value as a basis. As things stand, a loss of approximately 73 per cent of the tax-loss carryforwards should therefore be assumed, i.e. a loss of corporate tax-loss carryforwards of approximately €1,900 million and trade tax-loss carryforwards of approximately €2,500 million.

The remaining loss and interest carryforwards in the group as a whole are shown in the following table:

| € million | 30/09/2016 | 30/09/2017 |
|---|---|---|
| Corporation tax losses | 8,927 | 2,205 |
| Trade tax losses | 7,674 | 1,466 |
| Interest carryforwards | 191 | 38 |

€1,108 million of the corporate tax-loss carryforwards as at 30 September 2017 are allocated to domestic companies and €1,907 million to foreign companies. €144 million of tax-loss carryforwards with regard to local taxes of foreign companies are included in trade tax-loss carryforwards.

With regard to the remaining tax and interest carryforwards in the group as a whole (compare previous table) and temporary differences are recognised based on a current five-year plan in the following amount as a short-term to medium-term satisfaction of claims is not to be expected:

| € million | 30/09/2016 | 30/09/2017 |
|---|---|---|
| Corporation tax losses | 8,326 | 2,011 |
| Trade tax losses | 7,302 | 1,348 |
| Interest carryforwards | 71 | 38 |
| Temporary differences | 377 | 455 |
| thereof discontinued operations | 137 | 0 |

Pursuant to IAS 12 (Income Taxes), deferred tax liabilities shall be formed on the difference amount between the pro rata equity of a subsidiary recorded in the consolidated statement of financial position and the investment carrying amount for this subsidiary in the tax balance of the parent company (known as outside basis differences) if the satisfaction is to be expected. The differences can primarily be attributed to retained earnings of subsidiaries in Germany and abroad. No deferred taxes were recognised for these retained earnings as they will be reinvested over an indefinite period of time or are not subject to relevant taxation. In the case of distributions from subsidiary companies, they were subject to taxation on dividends. Distributions from abroad could moreover trigger withholding tax. As at 30 September 2017, deferred tax liabilities of €5 million (30/09/2016: €4 million) from outside basis differences were considered for planned dividend payments.

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**Tax effects on components of other comprehensive income**

| | 2015/16 | | | 2016/17 | | |
|---|---|---|---|---|---|---|
| € million | Before taxes | Taxes | After taxes | Before taxes | Taxes | After taxes |
| Currency conversion differences from converting the financial statements of foreign business areas | 49 | −1 | 48 | 533 | −11 | 522 |
| thereof currency conversion differences from net investments in foreign business areas | (−12) | (−1) | (−13) | (255) | (−11) | (244) |
| Effective part of profit/losses from cash flow hedges | 2 | 0 | 2 | −71 | 26 | −45 |
| Profit/losses from the reassessment of financial instruments in the "available for sale" category | 0 | 0 | 0 | −5 | 0 | −5 |
| Deferred taxes on the reassessment of performance-based pension plans | −207 | 59 | −148 | 113 | −115 | −2 |
| Other changes | 0 | 0 | 0 | 0 | 0 | 0 |
| Remaining income tax on other comprehensive income | −2 | 5 | 3 | 0 | −6 | −6 |
| | **−158** | **63** | **−95** | **570** | **−106** | **464** |

As a result of non-taxable events as well as the non-recognition and impairment of deferred taxes, the recognised tax does not correspond to the estimated tax for each item.

## 26. INVENTORIES

Inventories in the year-on-year comparison declined by €2,903 million from €5,456 million to €2,553 million, mainly as a result of the spin-off. Inventories of the continuing segments increased in the year-on-year comparison by €160 million from €2,393 million to €2,553 million.

An increase of €111 million is attributed to the DACH segment, €29 million to the Western/Southern Europe segment, €15 million to the Eastern Europe segment and €5 million to the Other segment.

Inventories include impairment losses of €110 million (30/09/2016: €207 million, of which €105 million from discontinued operations).

In principle, the industry-standard reservations of title apply to CECONOMY's merchandise.

## 27. TRADE RECEIVABLES

Trade receivables declined from €808 million (of which €484 million from discontinued operations) to €498 million due to the demerger. This includes receivables with a remaining term of more than one year totalling €0 million (30/09/2016: €20 million).

The increase in the trade receivables of CECONOMY's continuing operations of €175 million from €323 million to €498 million in a year-on-year comparison is mainly due to the DACH (German-speaking countries) segment.

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## 28. IMPAIRMENTS OF CAPITALISED FINANCIAL INSTRUMENTS

Impairments of capitalised financial instruments measured at amortised cost are as follows:

| € million | Category "loans and receivables" | thereof "loans and advance credit granted" | thereof "other current receivables" |
|---|---|---|---|
| As at 01/10/2015 | 126 | 2 | 125 |
| Currency translation | −1 | 0 | −1 |
| Additions | 69 | 6 | 62 |
| Reversal | −37 | 0 | −37 |
| Reclassifications under IFRS 5 | 0 | 0 | 0 |
| Utilisation | −26 | −2 | −24 |
| Transfers | 0 | 0 | 0 |
| As at 30/09 / 01/10/2016 | 131 | 7 | 126 |
| Currency translation | 0 | 0 | 0 |
| Additions | 42 | 2 | 41 |
| Reversal | −17 | 0 | −17 |
| Reclassifications under IFRS 5 | −117 | −5 | −112 |
| Utilisation | −11 | 0 | −11 |
| Transfers | 0 | 0 | 0 |
| **As at 30/09/2017** | **29** | **3** | **26** |

In the category "loans and receivables", which particularly includes loans, trade receivables, receivables from suppliers as well as receivables and other assets in the real estate area, negative earnings effects from impairments losses amount to €13 million (2015/16: €4 million). This also includes earnings from the receipt of cash from receivables that had already been derecognised in anticipation of uncollectibles of €1 million (2015/16: €2 million). As in the previous year, there were no earnings effects in the category "held to maturity" and from receivables from finance leases (carrying value according to IAS 17).

In principle, impairment losses on capitalised financial instruments are recognised using an adjustment account. They reduce the carrying amount of financial assets.

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## 29. MATURITIES AND IMPAIRMENT LOSSES OF CAPITALISED FINANCIAL INSTRUMENTS

Capitalised financial instruments had the following maturities and impairment losses as of the closing date:

| | | | thereof past due, no specific allowances for impairment losses | | | | |
|---|---|---|---|---|---|---|---|
| € million | Total carrying amount 30/09/2016 | thereof not past due, not impaired | Due within the last 90 days | Due for 91 to 180 days | Due for 181 to 270 days | Due for 271 to 360 days | Due for more than 360 days |
| **Assets** | | | | | | | |
| in the category "loans and receivables" | 3,140 | 2,625 | 144 | 12 | 3 | 1 | 2 |
| thereof "loans and advance credit granted" | 58 | 58 | 0 | 0 | 0 | 0 | 0 |
| thereof "other current receivables" | 3,082 | 2,567 | 144 | 12 | 3 | 1 | 2 |
| in the category "held to maturity" | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| in the category "held for trading" | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| in the category "available for sale" | 24 | 1 | 0 | 0 | 0 | 0 | 0 |
| | **3,168** | **2,626** | **144** | **12** | **3** | **1** | **2** |

| | | | thereof past due, no specific allowances for impairment losses | | | | |
|---|---|---|---|---|---|---|---|
| € million | Total carrying amount 30/09/2017 | thereof not past due, not impaired | Due within the last 90 days | Due for 91 to 180 days | Due for 181 to 270 days | Due for 271 to 360 days | Due for more than 360 days |
| **Assets** | | | | | | | |
| in the category "loans and receivables" | 1,913 | 1,676 | 82 | 7 | 2 | 5 | 1 |
| thereof "loans and advance credit granted" | 14 | 14 | 0 | 0 | 0 | 0 | 0 |
| thereof "other current receivables" | 1,899 | 1,662 | 82 | 7 | 2 | 5 | 1 |
| in the category "held to maturity" | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| in the category "held for trading" | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| in the category "available for sale" | 706 | 0 | 0 | 0 | 0 | 0 | 0 |
| | **2,622** | **1,676** | **82** | **7** | **2** | **5** | **1** |

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Loans and receivables due within the last 90 days largely result from standard business payment transactions with immediate or short-term payment terms. For loans and receivables more than 90 days past due that are not subject to specific allowances, there is no indication as of the closing date that debtors will not fulfil their payment obligations. For capitalised financial instruments which are not past due and which are not subject to specific allowances, there is no indication based on the debtor's creditworthiness (credit quality) that would require an impairment.

## 30. CASH AND CASH EQUIVALENTS

| € million | 30/09/2016 | 30/09/2017 |
|---|---|---|
| Cheques and cash on hand | 121 | 64 |
| Bank deposits and other financial assets with short-term liquidity | 2,247 | 798 |
| | **2,368** | **861** |

Cash and cash equivalents decreased due to the demerger.

For more information, see the cash flow statement and No. 42 – Notes to the cash flow statement.

## 31. ASSETS HELD FOR SALE/LIABILITIES RELATED TO ASSETS HELD FOR SALE

As at 30 September 2017, this item includes no assets held for sale or liabilities related to assets held for sale as sales were considered highly probable within the meaning of IFRS 5 as of the closing date. The development of this item with a view to the sales transactions included during the course of the year is explained below.

**Division of METRO GROUP by way of demerger**

Following adoption of the resolution and approval of the demerger agreement by the Annual General Meeting of the former METRO AG on 6 February 2017, the business of METRO Wholesale & Food Specialist AG was reported separately in the consolidated statement of financial position of the former METRO AG as a discontinued operation, in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) (see chapter "Demerger of the former METRO GROUP").

The assets and liabilities were recognised under the item "Assets held for sale" (€18,288 million) and the item "Liabilities related to assets held for sale" (€12,787 million) taking into account the consolidation of all issues in the statement of financial position as of 31 March 2017. The asset and liability items to be consolidated were recognised in the relevant statement of financial position items of continued and discontinued operations.

For reasons of simplification, the deconsolidation took place as of 1 July 2017. Up to this time, the values of the assets held for sale decreased by €350 million to €17,938 million in the course of ordinary business. Against this background, liabilities related to assets held for sale decreased by €421 million to €12,366 million. The composition of the assets and liabilities of the wholesale and food retail business, including other companies, disposed of in the context of the deconsolidation is as follows:

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| € million | |
|---|---|
| **Assets** | |
| Goodwill | 2,875 |
| Other intangible assets | 513 |
| Property, plant and equipment | 7,375 |
| Investment properties | 113 |
| Financial assets | 91 |
| Investments accounted for using the equity method | 182 |
| Other financial and non-financial assets (non-current) | 207 |
| Deferred tax assets | 356 |
| Inventories | 3,208 |
| Trade receivables | 532 |
| Financial assets | 2 |
| Other financial and non-financial assets (current) | 1,311 |
| Entitlements to income tax refunds | 161 |
| Cash and cash equivalents | 1,012 |
| | **17,938** |
| **Liabilities** | |
| Provisions for pensions and similar obligations | 599 |
| Other provisions (non-current) | 276 |
| Financial liabilities (non-current) | 3,137 |
| Other financial and non-financial liabilities (non-current) | 109 |
| Deferred tax liabilities | 192 |
| Trade payables | 4,520 |
| Provisions (current) | 485 |
| Financial liabilities (current) | 1,647 |
| Other financial and non-financial liabilities (current) | 1,186 |
| Income tax liabilities | 215 |
| | **12,366** |

No depreciation expenses arose in the context of the measurement to be carried out directly prior to the reclassification of all the affected assets and liabilities in discontinued operations. The scheduled depreciation of the relevant non-current assets was suspended from the date the items were reclassified from discontinued operations until the time of deconsolidation. No valuation adjustments had to be made in connection with the recognition of the assets and liabilities relating to discontinued operations at the lower of carrying amount and fair value less costs to sell/distribute.

The deconsolidation result, including all the expenses directly associated therewith, arising in connection with the spin-off amounted to €576 million after tax and was recognised together with current earnings after taxes of the spun-off business segment in the amount of €456 million in the statement of profit or loss under profit or loss for the period from discontinued operations.

The revaluation effects included cumulatively under other comprehensive income in connection with the measurement of pension plans of the split-off business segment in the amount of €482 million and the related income tax effect of €–86 million were reclassified to other reserves retained from earnings on account of the deconsolidation. The effects of other comprehensive income included in the equity of CECONOMY arising from assets and liabilities held for sale in addition include components from financial instruments previously shown in equity outside of profit or loss in the amount of €–63 million, as well as €530 million from currency differences from foreign subsidiaries, which were reversed through profit or loss on account of the deconsolidation taking into account the attributable income tax effect in the amount of €7 million.

### Real estate

The value of individual real estate properties held for sale changed by an amount of €2 million from €0 million to €2 million in the course of the first six months of financial year 2016/2017 due to the reclassification of individual real estate properties from non-current assets to assets held for sale. Its value declined again to €0 million due to their sale during the course of the third quarter of the financial year.

## 32. EQUITY

In terms of amount and composition – that is, the ratio of ordinary to preference shares – subscribed capital has not changed compared to 30 September 2016 and amounts to €835,419,052.27. It is divided as follows:

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| No-par value bearer shares, accounting par value approximately €2.56 | | 30/09/2016 | 30/09/2017 |
|---|---|---|---|
| Ordinary shares | Units | 324,109,563 | 324,109,563 |
| | € approximately | 828,572,941 | 828,572,941 |
| Preference shares | Units | 2,677,966 | 2,677,966 |
| | € approximately | 6,846,111 | 6,846,111 |
| **Total shares** | **Units** | **326,787,529** | **326,787,529** |
| **Total share capital** | **€ approximately** | **835,419,052** | **835,419,052** |

Each ordinary share grants one voting right. In addition, ordinary shares entitle the holder to dividends. In contrast to ordinary shares, preference shares principally do not carry voting rights and give a preferential entitlement to profits in line with Art. 21 of the Articles of Association of CECONOMY AG. It states:

"(1) Holders of non-voting preference shares will receive from the annual balance sheet profit a preference dividend of €0.17 per preference share, which shall be paid in arrears.

(2) Should the balance sheet profits available for distribution not be sufficient in any one financial year to pay the preference dividend, the arrears (excluding any interest) shall be paid from the balance sheet profits of future financial years in an order based on age, i.e. in such manner that any older arrears are paid off prior to any more recent ones and that the preferred dividends payable from the profit of a financial year are not distributed until all of any accumulated arrears have been paid.

(3) After the preference dividend has been distributed, the holders of ordinary shares will receive a dividend of €0.17 per ordinary share. Thereafter, a non-cumulative extra dividend of €0.06 per share will be paid to the holders of non-voting preference shares. The extra dividend shall amount to 10 per cent of such dividend as, in accordance with Section 4, will be paid to the holders of ordinary shares insofar as such dividend equals or exceeds €1.02 per ordinary share.

(4) The holders of non-voting preference shares and of ordinary shares will equally share in any additional profit distribution in the proportion of their shares in the capital stock."

### Authorised capital

The Annual General Meeting on 6 February 2017 authorised the Management Board to increase the share capital, with the consent of the Supervisory Board, by issuing new ordinary bearer shares in exchange for cash or non-cash contributions in one or more tranches for a total maximum of €417,000,000 by 5 February 2022 (authorised capital). The Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights in certain cases. The authorised capital has not been used to date.

### Contingent capital

The Annual General Meeting on 20 February 2015 resolved a contingent increase in the share capital by up to €127,825,000, divided into up to 50,000,000 ordinary bearer shares (contingent capital I). This contingent capital increase is related to an authorisation of the Management Board, with the consent of the Supervisory Board, to issue warrants or convertible bearer bonds (in aggregate, "bonds") with an aggregate par value of €1,500,000,000 prior to 19 February 2020, in one or more tranches, and to grant or impose upon the bearers of warrants option rights or obligations and upon the bearers of convertible bonds conversion rights or obligations for par value bearer shares in CECONOMY AG representing a proportionate interest of up to €127,825,000 of the share capital in accordance with the terms of the warrant or convertible bearer bonds, or to foresee CECONOMY AG's right to deliver shares in CECONOMY AG or another listed company as full or partial compensation for a cash redemption of the bonds. The Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights in certain cases. To date, no warrant and/or convertible bonds have been issued based on said authorisation.

### Share buyback

On the basis of Section 71 (1) No. 8 of the German Stock Corporation Act, the Annual General Meeting on 20 February 2015 authorised the company on or before 19 February 2020 to acquire shares of the Company

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of any share class representing a maximum of 10 per cent of the share capital issued at the time the Annual General Meeting has passed the resolution or – if this value is lower – at the time the authorisation is exercised. To date, neither the Company nor any company controlled or majority-owned by that Company or any other company acting on behalf of the Company or of any company controlled or majority-owned by the Company has exercised this authorisation.

For more information about authorised capital, contingent capital, the authorisation to issue warrants and/or convertible bonds, or share buybacks, see the combined management report – notes pursuant to Section 315 (4) and Section 289 (4) of the HGB (superseded version).

### Capital reserve

After partial offsetting against the non-cash dividend liability, which is accounted for at €5,880 million as of 30 June 2017, the capital reserve amounted to €128 million (30/09/2016: €2,551 million).

### Retained earnings

| € million | 30/09/2016 | 30/09/2017 |
|---|---|---|
| Effective portion of gains/losses from cash flow hedges | 72 | 0 |
| Gains/losses on remeasuring financial instruments in the category "available for sale" | 0 | –5 |
| Currency translation differences from translating the financial statements of foreign operations | –576 | –40 |
| Remeasurement of defined benefit pension plans | –851 | –259 |
| Income tax attributable to components of other comprehensive income | 193 | –2 |
| Other reserves retained from earnings | 3,096 | 11 |
| | **1,934** | **–294** |

As at 30 September 2017, reserves retained from earnings decreased by €2,228 million from €1,934 million to €–294 million year-on-year, which is due to the deconsolidation of discontinued operations. Other changes in the amount of €–3,444 million in particular relate to the non-cash assets distributed as a dividend in the context of the split-off to the extent they were not already offset under capital reserves. In addition, reserves retained from earnings include the payment of dividends for financial year 2015/16 in the amount of €–349 million. Under reserves retained from earnings this was offset by €1,566 million in comprehensive income.

The effects in other comprehensive income (part of comprehensive income) from the translation of foreign business segments in the amount of €536 million are primarily a result of the derecognition of cumulative currency effects from discontinued operations through profit or loss. Furthermore, the effective portions of gains/losses relating to cash flow hedges from discontinued operations were also derecognised through profit or loss in the amount of €–71 million. The cumulative effects from the revaluation of defined benefit pension plans from discontinued operations in the amount of €482 million were reclassified to other reserves retained from earnings outside of profit or loss until deconsolidation. In addition, income in the amount of €110 million arose from the revaluation of defined benefit pension plans in continuing operations.

Changes in the financial instruments presented above and the corresponding deferred tax effect consist of the following components:

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Initial or subsequent measurement of derivative financial instruments | –2 | 8 |
| Derecognition of cash flow hedges | 4 | 63 |
| thereof in inventories | (4) | (0) |
| thereof in net financial result | (0) | (0) |
| Effective portion of gains/losses from cash flow hedges | 2 | 71 |
| Gains/losses on remeasuring financial instruments in the category "available for sale" | 0 | –5 |
| | **2** | **66** |

↗ An overview of the tax effects on components of other comprehensive income can be found under No. 25 – Deferred tax assets/ deferred tax liabilities.

The derecognition of cash flow hedges in the amount of €63 million relates to discontinued operations resulting from the demerger.

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**Non-controlling interests**

Non-controlling interests comprise the shares held by third parties in the share capital of the consolidated subsidiaries. They amounted to €–2 million at the end of the financial year (30/09/2016: €12 million). The increase is essentially due to the share of total comprehensive income attributable to non-controlling interests (€51 million). Dividends paid of €35 million had an opposite effect. Non-controlling interests exist only in Media-Saturn-Holding GmbH.

**Appropriation of the balance sheet profit, dividends**

Dividend distribution of CECOMOMY AG is based on CECOMOMY AG's annual financial statements prepared under German commercial law.

As resolved by the Annual General Meeting on 06 February 2017, a dividend of €1 per ordinary share and €1.06 per preference share – that is, a total of €327 million – was paid in financial year 2016/17 from the reported balance sheet profit of €341 million for financial year 2015/16. The balance was carried forward to new account as profit.

Regarding the appropriation of the balance sheet profit for 2016/17, the Management Board of CECONOMY AG will propose to the Annual General Meeting to distribute from the reported balance sheet profit of €108 million a dividend amounting to €0.26 per ordinary share and €0.32 per preference share – that is, a total of €85 million – and to carry forward the remaining amount to the new account.

## 33. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Provisions for post-employment benefit plans are recognised in accordance with IAS 19 (Employee Benefits).
Provisions for post-employment benefits plans consist of commitments primarily related to benefits defined by the provisions of Company pension plans. These take the form of defined benefit plans directly from the employer (employer's commitments) and defined benefit plans from external providers (benevolent funds in Germany and international pension funds). The external providers' assets serve exclusively to finance the pension entitlements, and qualify as plan assets. The benefits under the different plans are based on performance and length of service. The length-of-service benefits are provided on the basis of fixed amounts.

The most important defined benefit pension plans are described in the following.

- **Germany:** CECONOMY grants many employees in Germany retirement, disability and surviving dependant's benefits. New commitments are granted in the form of "defined benefit" commitments within the meaning of IAS 19 (contribution-oriented commitments pursuant to German company pension law), which comprise a payment contribution component and an employer-matching component. Contributions are paid to a pension reinsurance from which benefits are paid out when the insured event occurs. A provision is recognised for entitlements not covered by reinsurance.

  In addition, various pension funds exist that are closed for new contributions. In general, these provide for lifelong pensions commencing with the start of retirement or recognised disability. Benefits are largely defined as fixed payments or on the basis of set annual increases. In special cases, benefits are calculated in consideration of accrued statutory pension entitlements. These commitments provide for a widow's or widower's pension of varying size depending on the benefits the former employee received or would have received in the case of disability. Legacy commitments are partially covered by assets held in benevolent funds. Provisions are recognised for those commitments not covered. The benevolent funds' decision-making bodies (Management Board and general assembly of members) comprise both employer and employee representatives. The Management Board decides on the deployment of funds and financial investments. It may commission third parties to manage fund assets. No statutory minimum endowment obligations exist. Insofar as pledged benefits cannot be paid out of the benevolent fund assets, the employer is obliged to assume these payments directly.

- **Switzerland:** In Switzerland, the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPA) requires employers to provide occupational pension insurance coverage for their employees. The OPA provides for statutory minimum benefits in the form of defined contribution plans with a guaranteed rate of interest. In addition, minimum contributions are provided for in the OPA.

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The contributions, which are determined as a percentage of pensionable salary, are paid into a pension fund. Upon retirement, the contributions are converted into benefits based on conversion rates. The occupational pension plans are open to new members. The legal form of the pension fund is a foundation.

Occupational pension plans in Switzerland are accounted for as defined benefit plans. CECONOMY grants employees in Switzerland pension entitlements that exceeds the statutory minimum entitlement.

- Additional retirement plans are shown cumulatively under “Other countries”.

The following table provides an overview of the present value of defined benefit obligations by CECONOMY countries as well as material obligations:

| % | 30/09/2016 | 30/09/2017 |
|---|---|---|
| Germany | 56 | 88 |
| Netherlands | 21 | 0 |
| United Kingdom | 10 | 0 |
| Switzerland | 5 | 9 |
| Other countries | 8 | 3 |
| | **100** | **100** |

The plan assets of CECONOMY are distributed proportionally to the following countries:

| % | 30/09/2016 | 30/09/2017 |
|---|---|---|
| Germany | 22 | 65 |
| Netherlands | 48 | 0 |
| United Kingdom | 20 | 0 |
| Switzerland | 8 | 35 |
| Other countries | 2 | 0 |
| | **100** | **100** |

The above commitments are valued on the basis of actuarial calculations in accordance with IAS 19. The basis for the valuation are the legal, economic and tax circumstances prevailing in each country.

The following average assumptions regarding the material parameters were used in the actuarial valuation:

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| | 30/09/2016 | | | | | 30/09/2017 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| % | Germany | Netherlands | United Kingdom | Switzerland | Other countries | Germany | Netherlands | United Kingdom | Switzerland | Other countries |
| Actuarial interest rate | 1.20 | 1.70 | 2.40 | 0.15 | 1.55 | 1.60 to 2.10 | – | – | 0.70 | 2.25 |
| Inflation rate | 1.50 | 0.90 | 2.00 | 0.00 | 1.90 | 1.50 | – | – | 0.00 | 0.00 |

Due to the spin-off of the current METRO, CECONOMY carried out an adjustment in the determination of the actuarial interest rate. For the essential part of the obligation (CECONOMY AG and CECONOMY Retail GmbH)), the present value of defined benefit obligations continues to be valued at an interest rate of 1.6 per cent, the determination of which is based on the yield on high-quality corporate bonds and the term of the underlying obligations. For the companies of the MediaMarktSaturn Retail Group in the Eurozone (Germany, Greece, Austria and Italy), a standard actuarial rate of interest in the amount of 2.1 per cent is used, which is based on the corresponding average term of the obligations in these countries. In countries without a liquid market of suitable corporate bonds, the actuarial interest rate was determined on the basis of government bond yields.

Aside from the actuarial interest rate, the inflation rate represents another key actuarial parameter. In the process, the nominal rate of wage and salary increases was determined on the basis of expected inflation and a real rate of increase. In Germany, the rate of pension increases is derived directly from the inflation rate insofar as pension adjustments can be determined on the basis of the increase in the cost of living. In international companies, pension adjustments are also generally determined on the basis of the inflation rate.

The extent of other, non-essential parameters used to determine pension commitments corresponds to the long-term expectations of CECONOMY. The impact of changes in fluctuation and mortality assumptions was analysed for major plans. Calculations of the mortality rate for the German Group companies are based on the 2005 G tables from Prof. Dr Heubeck. For beneficiaries who did not make use of the option to settle their benefit entitlements through a lump sum capital payment in the past financial year, the mortality rates in table 2005 G have been reduced for the next three years, with a linear decline in the reduction from an initial value of 15 per cent to 0 per cent in year four.

The actuarial valuations outside of Germany are based on country-specific mortality tables. The resulting effects of fluctuation and mortality assumptions have been deemed immaterial and are not listed as a separate component.

The following is a sensitivity analysis for the key valuation parameters with respect to the present value of defined benefit obligations. The actuarial rate of interest and the inflation rate were identified as key parameters with an impact on the present value of defined benefit obligations. In the context of the sensitivity analysis, the same methods were applied as in the previous year. The analysis considered changes in parameters that are considered possible within reason. Stress tests or worst-case scenarios, in contrast, are not part of the sensitivity analysis. The selection of the respective spectrum of possible changes in parameters is based on historical multiyear observations. This almost exclusive reliance on historical data to derive possible future developments represents a methodical constraint.

The following illustrates the impact of an increase/decrease in the actuarial rate of interest by 100 basis points or an increase/decrease in the inflation rate by 25 basis points on the present value of defined benefit obligations:

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| € million | | 30/09/2016 Germany | Netherlands | United Kingdom | Switzerland | Other countries | 30/09/2017 Germany | Netherlands | United Kingdom | Switzerland | Other countries |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Actuarial interest rate | Increase by 100 basis points | −147.20 | −104.30 | −38.80 | −15.80 | −17.60 | −63.70 | n/a | n/a | -9.40 | −2.90 |
| | Decrease by 100 basis points | 184.20 | 145.60 | 50.40 | 21.20 | 20.40 | 75.60 | n/a | n/a | 12.40 | 3.50 |
| Inflation rate | Increase by 25 basis points | 33.60 | 16.80 | 4.20 | 3.00 | 0.10 | 16.30 | n/a | n/a | 1.80 | 0.00 |
| | Decrease by 25 basis points | −32.20 | −16.10 | −4.10 | −2.80 | −0.10 | −15.70 | n/a | n/a | −1.70 | 0.00 |

Granting defined benefit pension entitlements exposes CECONOMY to various risks. These include general actuarial risks resulting from the valuation of pension commitments (for example, interest rate risks) as well as capital and investment risks related to plan assets.

With a view to funding future pension payments from indirect commitments and a stable actuarial reserve, CECONOMY primarily invests plan assets in low-risk investment forms. The funding of direct pension commitments is secured through operating cash flow at CECONOMY.

The fair value of plan assets by asset category can be broken down as follows:

| | 30/09/2016 % | 30/09/2016 € million | 30/09/2017 % | 30/09/2017 € million |
|---|---|---|---|---|
| Fixed-interest securities | 45 | 500 | 43 | 98 |
| Shares, funds | 20 | 228 | 13 | 29 |
| Real estate | 7 | 83 | 24 | 56 |
| Other assets | 28 | 309 | 20 | 46 |
| | **100** | **1,120** | **100** | **229** |

Fixed-interest securities, shares and funds are regularly traded in active markets. As a result, the relevant market prices are available. The asset category "fixed-interest securities" includes only investments in investment grade corporate bonds, government bonds and mortgage-backed bonds ("Pfandbriefe"). Risk within the category "shares, funds" is minimised through geographic diversification.

Real estate assets not used by the Company itself are not traded in an active market.

Other assets essentially comprise receivables from insurance companies in Germany. All of these are first-rate insurance companies.

The actual return on plan assets amounted to €11 million in the reporting period (2015/16: €144 million).

For financial year 2017/18, the Company expects employer payments to external pension providers of approximately €4 million and employee contributions of €5 million in plan assets, with contributions in the Netherlands and Germany accounting for the major share of this total. Expected contributions from payment contribution commitments in Germany are not included in expected payments.

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Changes in the present value of defined benefit obligations have developed as follows:

| € million | 2015/16 | 2016/17 |
|---|---|---|
| **Present value of defined benefit obligations** | | |
| At beginning of period | 2,235 | 2,430 |
| **Recognised under pension expenses through profit or loss** | **62** | **35** |
| Interest expenses | 53 | 28 |
| Current service cost | 27 | 25 |
| Past service cost (incl. curtailments and changes) | 24 | −18 |
| Settlement expenses | −42 | 0 |
| **Recognised outside of profit or loss under remeasurement of defined benefit pension plans in other comprehensive income** | **354** | **−110** |
| Actuarial gains/losses from changes in | | |
| demographic assumptions (−/+) | 34 | −15 |
| financial assumptions (−/+) | 314 | −77 |
| experience-based correction (−/+) | 6 | −18 |
| **Other effects** | **−221** | **−1,504** |
| Benefit payments (incl. tax payment) | −203 | −96 |
| Contributions from plan participants | 16 | 12 |
| Change in consolidation group / transfers | 1 | −1,412 |
| Currency effects | −35 | −8 |
| **At end of period** | **2,430** | **851** |

In the course of the deconsolidation and due to the spin-off, the present value of pension obligations decreased by €1,412 million, which was recognised as a change in the scope of consolidation.

In the past financial year, the BAG judgement regarding the so-called "late marriage clauses" in accounting for pension obligations was used in Germany for the first time. The resulting curtailments when taking into account surviving dependants' pension entitlements resulted in a reduction through profit or loss in the pension provision in the amount of €18 million.

Changes in actuarial parameters led to a total decrease in the present value of defined benefit obligations of €92 million (2015/16: increase of €348 million).

The weighted average term of defined benefit obligations for the countries with material pension obligations amounts to:

| Years | 30/09/2016 | 30/09/2017 |
|---|---|---|
| Germany | 12 | 10 |
| Netherlands | 24 | 0 |
| United Kingdom | 19 | 0 |
| Switzerland | 16 | 14 |
| Other countries | 9 | 14 |

The present value of defined benefit obligations can be broken down as follows based on individual groups of eligible employees:

| % | 30/09/2016 | 30/09/2017 |
|---|---|---|
| Active members | 25 | 12 |
| Former claimants | 26 | 10 |
| Pensioners | 49 | 78 |

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The fair value of plan assets developed as follows:

| € million | 2015/16 | 2016/17 |
|---|---|---|
| **Change in plan assets** | | |
| Fair value of plan assets as of beginning of period | 1,090 | 1,120 |
| **Recognised under pension expenses through profit or loss** | **28** | **14** |
| Interest income | 28 | 14 |
| **Recognised outside of profit or loss under remeasurement of defined benefit pension plans in other comprehensive income** | **116** | **−3** |
| Gains/losses from plan assets excl. interest income (+/−) | 116 | −3 |
| **Other effects** | **−114** | **−902** |
| Benefit payments (incl. tax payment) | −73 | −56 |
| Settlement payments | −43 | 0 |
| Employer contributions | 20 | 16 |
| Contributions from plan participants | 16 | 12 |
| Change in consolidation group / transfers | 0 | −867 |
| Currency effects | −34 | −7 |
| **Fair value of plan assets as of end of period** | **1,120** | **229** |

| € million | 30/09/2016 | 30/09/2017 |
|---|---|---|
| **Financing status** | | |
| Present value of defined benefit obligations | 2,430 | 851 |
| Fair value of plan assets | −1,120 | −229 |
| Asset adjustment (asset ceiling) | 30 | 0 |
| **Net liability / assets** | **1,340** | **622** |
| thereof recognised under provisions | 1,340 | 622 |
| thereof recognised under net assets | 0 | 0 |

At one Swiss company, plan assets exceeded the value of commitments as of the closing date. As the asset limits were not exceeded, no adjustments were made to the asset values. In the previous year, this was the case for a deconsolidated plan in the Netherlands for 2016/17. Since the Company cannot draw any economic benefits from this overfunding, the statement of financial position amount was reduced to €0 in line with IAS 19.64 (b) in the previous year. The change in the effect of the asset ceiling of approximately €31 million (primarily related to the Netherlands) was recognised in other comprehensive income.

The pension expenses of the direct and indirect Company pension plan commitments can be broken down as follows:

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Current service cost[1] | 27 | 25 |
| Net interest expenses | 27 | 15 |
| Past service cost (incl. curtailments and changes) | 24 | −18 |
| Settlements | −42 | 0 |
| Other pension expenses | 1 | 1 |
| **Pension expenses** | **37** | **23** |

[1] Netted against employees' contributions

In addition to expenses from defined benefit pension commitments, expenses for payments to external pension providers relating to defined contribution pension commitments of €24 million (2015/16: €23 million) were recorded as well as payments to the statutory pension insurance in the amount of €161 million (2015/16: €147 million).

Media-Saturn Netherlands participates in a multi-employer plan classified as a defined benefit plan. However, it is administered by a fund that is not able to provide sufficient information to allow it to be recognised as a defined benefit plan. Therefore, it is treated as a defined contribution plan in accordance with IAS 19.34 and IAS 19.148. This is a typical, strictly regulated Dutch pension plan. In the event of a shortfall, Media-Saturn Netherlands would be obliged to compensate for this by making higher contributions to this fund in the future. These higher contributions would then apply to all participating companies. Media-Saturn cannot be held liable for these commitments by other companies. Approximately 27,600 companies in the retail industry participate in this plan and make contributions for a total of more than 255,000 employees. Media-Saturn Netherlands currently makes contributions to this plan for 6,375 employees. Contributions are calculated for five years (currently from 2013 to 2017). These correspond to a set percentage of an employee's salary

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(currently 21.6 per cent), with employees assuming part of the contributions for salaries above €12,866 and no contributions being paid for salaries above €53,701. In financial year 2017/18, contributions to the "Bedrijfspensioenfonds voor de Detailhandel" fund are expected to total approximately €8.5 million. In September 2017, the coverage ratio stood at 110.6 per cent (September 2016: 104.9 per cent).

The provisions for obligations similar to pensions essentially comprise commitments from employment anniversary allowances, death benefits and partial retirement plans. Provisions amounting to €17 million (30/09/2016: €73 million, of which €55 million from discontinued operations) were created for these commitments. The commitments are valued on the basis of actuarial expert opinions. In principle, the parameters used are identical to those employed in the Company pension plan.

## 34. OTHER PROVISIONS (NON-CURRENT)/PROVISIONS (CURRENT)

In the reporting period, other provisions (non-current)/provisions (current) changed as follows:

| € million | Real estate-related obligations | Obligations from trade transactions | Restructuring | Taxes | Miscellaneous | Total |
|---|---|---|---|---|---|---|
| As at 01/10/2016 | 289 | 101 | 278 | 54 | 366 | 1,088 |
| Currency translation | –2 | 0 | 0 | 0 | –1 | –2 |
| Addition | 121 | 71 | 61 | 35 | 111 | 401 |
| Reversal | –80 | –3 | –3 | –7 | –23 | –115 |
| Utilisation | –60 | –72 | –39 | –5 | –61 | –237 |
| Interest portion of the addition/change in interest rate | 1 | 0 | 0 | 0 | 0 | 1 |
| Disposal under IFRS 5 | –174 | –63 | –284 | –22 | –338 | –881 |
| Reclassification | –1 | 0 | 0 | 0 | –3 | –4 |
| **As at 30/09/2017** | **95** | **34** | **13** | **57** | **52** | **250** |
| Non-current | 24 | 0 | 6 | 0 | 20 | 51 |
| Current | 71 | 34 | 6 | 57 | 32 | 199 |
| **As at 30/09/2017** | **95** | **34** | **13** | **57** | **52** | **250** |

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The provisions for real estate related obligations relate to location-related risks in the amount of €66 million (30/09/2016: €124 million, of which €47 million from discontinued operations), deficient rental cover in the amount of €6 million (30/09/2016: €62 million, of which €48 million from discontinued operations), rental obligations in the amount of €17 million (30/09/2016: €48 million, of which €33 million from discontinued operations) and asset retirement obligations in the amount of €3 million (30/09/2016: €32 million, of which €29 million from discontinued operations:). In addition there are other real estate obligations of €4 million (30/09/2016: €23 million, of which €23 million from discontinued operations).

Significant components of provisions for merchandise obligations are provisions for rights of return in the amount of €18 million (30/09/2016: €22 million, of which €4 million from discontinued operations), and provisions for warranties in the amount of €13 million (30/09/2016: €20 million, of which €2 million from discontinued operations).

Restructuring provisions totalling €13 million (30/09/2016: €278 million, of which €265 million from discontinued operations) essentially concern the Western/Southern Europe segment. Of the restructuring provision reported in the previous year, €126 million concerned the Cash & Carry segment, €15 million Real, and €125 million other companies in the category of discontinued operations.

The provisions for tax risks totalling €57 million (30/09/2016: €54 million, of which €20 million from discontinued operations) primarily include provisions for value added tax items. The previous year's figure included the risk provision for income taxes and income tax risks amounts to €54 million (of which €20 million from discontinued operations).

Significant items in the other provisions are provisions for process costs and associated risks totalling €16 million (30/09/2016: €76 million, of which €66 million from discontinued operations) and provisions for share-based payments totalling €1 million (30/09/2016: €40 million, of which €40 million from discontinued operations). Furthermore, the provisions item for warranty and guarantee risks amounts to €0 million (30/09/2016: €29 million, of which €29 million from discontinued operations), provisions for compensation obligations totalling €10 million (30/09/2016: €11 million, of which €9 million from discontinued operations) and interest on tax provisions totalling €13 million (30/09/2016: €9 million, of which €4 million from discontinued operations).

It is assumed that the bulk of the provisions (€199 million of the total of €250 million) will lead to payouts within one year. Of the €51 million of the provisions reported as non-current, €24 million relate to real estate related obligations. These are essentially provisions for location-related risks and deficient rental cover. The payment dates for these types of provisions are connected with the remaining terms of the rental agreements.

↗ For more information about share-based payments, see No. 50 – Long-term incentives for executives.

The interest rates for non-interest-bearing long-term provisions are between 0 and 4.14 per cent, depending on the term and country.

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## 35. LIABILITIES

| € million | 30/09/2016 total | Remaining term up to 1 year | Remaining term 1 to 5 years | Remaining term more than 5 years | 30/09/2017 total | Remaining term up to 1 year | Remaining term 1 to 5 years | Remaining term more than 5 years |
|---|---|---|---|---|---|---|---|---|
| **Trade payables** | **9,383** | **9,383** | **0** | **0** | **4,929** | **4,929** | **0** | **0** |
| Bonds | 3,164 | 722 | 1,172 | 1,269 | 254 | 254 | 0 | 0 |
| Liabilities to banks | 276 | 132 | 127 | 17 | 8 | 8 | 0 | 0 |
| Promissory note loans | 68 | 2 | 12 | 54 | 251 | 1 | 189 | 61 |
| Liabilities from finance leases | 1,251 | 91 | 384 | 776 | 31 | 3 | 12 | 17 |
| **Borrowings** | **4,759** | **947** | **1,696** | **2,116** | **544** | **266** | **201** | **78** |
| Other tax liabilities | 325 | 325 | 0 | 0 | 179 | 179 | 0 | 0 |
| Prepayments received on orders | 48 | 48 | 0 | 0 | 39 | 39 | 0 | 0 |
| Payroll liabilities | 816 | 816 | 0 | 0 | 254 | 254 | 0 | 0 |
| Liabilities from other financial transactions | 15 | 15 | 0 | 0 | 1 | 1 | 0 | 0 |
| Deferred income | 608 | 497 | 71 | 41 | 404 | 366 | 27 | 11 |
| Miscellaneous liabilities | 843 | 764 | 53 | 26 | 321 | 274 | 28 | 19 |
| **Other financial and non-financial liabilities** | **2,656** | **2,465** | **124** | **67** | **1,199** | **1,113** | **55** | **31** |
| **Income tax liabilities** | **170** | **170** | **0** | **0** | **44** | **44** | **0** | **0** |
| | **16,968** | **12,965** | **1,819** | **2,184** | **6,716** | **6,352** | **256** | **108** |

## 36. TRADE PAYABLES

As a result of the demerger, trade payables declined in comparison with the previous year from €9,383 million (of which €4,889 million from discontinued operations) to €4,929 million.

Considering continuing operations in isolation there was a rise of €435 million, from €4,494 million to €4,929 million.

€268 million of this rise was caused by the DACH segment, €133 million by the Western/Southern Europe segment, and €27 million by the Eastern Europe segment.

## 37. FINANCIAL LIABILITIES

All figures in this section, except for the previous year figures in the tables, relate solely to the continuing operations of CECONOMY. Both the substantial decline in borrowings in comparison with the previous year's closing date and the lower credit-line volumes stem from the deconsolidation in connection with the demerger during the current financial year of those companies still included on the previous year's closing date.

CECONOMY AG's medium- and long-term financing needs are covered by issues on the capital markets. In March 2017 the Company successfully issued several promissory note loans with a total volume of €250 million and terms of five, seven and ten years.

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A short-term euro-denominated commercial paper programme with a maximum volume of €500 million has been available to CECONOMY AG since 14 July 2017. As at 30 September 2017, a nominal volume of €254 million in commercial papers was outstanding.

In addition, syndicated credit facilities totalling €550 million with terms ending in the 2022 calendar year are available to CECONOMY. Options to extend the period by up to two additional years exist. The syndicated credit facilities have not been utilised.

As at 30 September 2017 additional bilateral bank credit facilities totalling €498 million are available to CECONOMY, €8 million of it with a remaining term of up to one year. At the closing date, €8 million of the bilateral credit facilities had been utilised. Of this amount, €8 million had a remaining term of up to one year.

**CECONOMY: undrawn credit facilities**

| | 30/09/2016 | | | 30/09/2017 | | |
|---|---|---|---|---|---|---|
| | | Remaining term | | | Remaining term | |
| € million | Total | up to 1 year | more than 1 year | Total | up to 1 year | more than 1 year |
| Bilateral credit facilities | 681 | 437 | 244 | 498 | 8 | 490 |
| Utilisation | −276 | −132 | −144 | −8 | −8 | 0 |
| Undrawn bilateral credit facilities | 405 | 305 | 100 | 490 | 0 | 490 |
| Syndicated credit facilities | 2,525 | 0 | 2,525 | 550 | 0 | 550 |
| Utilisation | 0 | 0 | 0 | 0 | 0 | 0 |
| Undrawn syndicated credit facilities | 2,525 | 0 | 2,525 | 550 | 0 | 550 |
| Total credit facilities | 3,206 | 437 | 2,769 | 1,048 | 8 | 1,040 |
| Total utilisation | −276 | −132 | −144 | −8 | −8 | 0 |
| **Total unutilised credit facilities** | **2,930** | **305** | **2,625** | **1,040** | **0** | **1,040** |

Default by a lender can be covered at any time by the existing undrawn credit facilities or the available money and capital market programmes. CECONOMY therefore has no exposure to creditor default risk.

CECONOMY does not provide collateral security for financial liabilities.

The following tables show the maturity structure of the financial liabilities. The carrying amounts and fair values given include accrued interest with a remaining term of less than one year.

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## Bonds

| | | 30/09/2016 | | | | 30/09/2017 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Nominal values | Nominal values | Carrying amounts | Fair values | Nominal values | Nominal values | Carrying amounts | Fair values |
| Currency | Remaining term | in million currency | € million | € million | € million | in million currency | € million | € million | € million |
| EUR | up to 1 year | 672 | 672 | 722 | | 254 | 254 | 254 | |
| | 1 to 5 years | 1,175 | 1,175 | 1,172 | | 0 | 0 | 0 | |
| | more than 5 years | 1,276 | 1,276 | 1,269 | | 0 | 0 | 0 | |
| | **Total** | **3,123** | **3,123** | **3,164** | **3,299** | **254** | **254** | **254** | **254** |

## Liabilities to banks

| (excl. current account) | | 30/09/2016 | | | | 30/09/2017 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Nominal values | Nominal values | Carrying amounts | Fair values | Nominal values | Nominal values | Carrying amounts | Fair values |
| Currency | Remaining term | in million currency | € million | € million | € million | in million currency | € million | € million | € million |
| EUR | up to 1 year | 8 | 8 | 10 | | 0 | 0 | 0 | |
| | 1 to 5 years | 57 | 57 | 57 | | 0 | 0 | 0 | |
| | more than 5 years | 17 | 17 | 17 | | 0 | 0 | 0 | |
| | **Total** | **82** | **82** | **84** | **86** | **0** | **0** | **0** | **0** |
| INR | up to 1 year | 1,510 | 20 | 20 | | 0 | 0 | 0 | |
| | 1 to 5 years | 2,456 | 33 | 33 | | 0 | 0 | 0 | |
| | more than 5 years | 0 | 0 | 0 | | 0 | 0 | 0 | |
| | **Total** | **3,967** | **53** | **53** | **55** | **0** | **0** | **0** | **0** |
| JPY | up to 1 year | 1,370 | 12 | 12 | | 0 | 0 | 0 | |
| | 1 to 5 years | 4,165 | 37 | 37 | | 0 | 0 | 0 | |
| | more than 5 years | 0 | 0 | 0 | | 0 | 0 | 0 | |
| | **Total** | **5,535** | **49** | **49** | **51** | **0** | **0** | **0** | **0** |

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## Promissory note loans

| | | 30/09/2016 | | | | 30/09/2017 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Nominal values | Nominal values | Carrying amounts | Fair values | Nominal values | Nominal values | Carrying amounts | Fair values |
| Currency | Remaining term | in million currency | € million | € million | € million | in million currency | € million | € million | € million |
| EUR | up to 1 year | 0 | 0 | 2 | | 0 | 0 | 1 | |
| | 1 to 5 years | 12 | 12 | 12 | | 189 | 189 | 189 | |
| | more than 5 years | 54 | 54 | 54 | | 61 | 61 | 61 | |
| | **Total** | **66** | **66** | **68** | **77** | **250** | **250** | **251** | **251** |

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Redeemable loans that are shown under liabilities to banks are listed with the remaining terms corresponding to their redemption date.

The following tables show the interest rate structure of the financial liabilities:

**Bonds**

| interest structure | Currency | Remaining term | 30/09/2016 Nominal values € million | 30/09/2017 Nominal values € million |
|---|---|---|---|---|
| Fixed interest | EUR | up to 1 year | 622 | 254 |
| | | 1 to 5 years | 1,175 | 0 |
| | | more than 5 years | 1,276 | 0 |
| Variable interest | EUR | up to 1 year | 50 | 0 |
| | | 1 to 5 years | 0 | 0 |
| | | more than 5 years | 0 | 0 |

**Liabilities to banks**

(excl. current account)

| interest structure | Currency | Remaining term | 30/09/2016 Nominal values € million | 30/09/2017 Nominal values € million |
|---|---|---|---|---|
| Fixed interest | EUR | up to 1 year | 8 | 0 |
| | | 1 to 5 years | 57 | 0 |
| | | more than 5 years | 17 | 0 |
| Variable interest | JPY | up to 1 year | 12 | 0 |
| | | 1 to 5 years | 37 | 0 |
| | | more than 5 years | 0 | 0 |

**Promissory note loans**

| interest structure | Currency | Remaining term | 30/09/2016 Nominal values € million | 30/09/2017 Nominal values € million |
|---|---|---|---|---|
| Fixed interest | EUR | up to 1 year | 0 | 0 |
| | | 1 to 5 years | 9 | 120 |
| | | more than 5 years | 54 | 40 |
| Variable interest | EUR | up to 1 year | 0 | 0 |
| | | 1 to 5 years | 3 | 69 |
| | | more than 5 years | 0 | 22 |

The fixed interest rate for short-term and medium-term financial liabilities and the repricing dates of all fixed-interest financial liabilities essentially correspond to the remaining terms displayed. The repricing dates for variable interest rates are less than one year.

↗ The effects of changes in interest rates concerning the variable portion of financial liabilities on the profit or loss for the period and equity of CECONOMY are described in detail in note No. 44 – Management of financial risks.

## 38. OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES

Significant items in the other financial liabilities are liabilities from the purchase of fixed assets totalling €40 million (30/09/2016: €311 million, of which €253 million from discontinued operations), liabilities to customers totalling €129 million (30/09/2016: €184 million, of which €49 million from discontinued operations), liabilities from put options of non-controlling shareholders totalling €59 million (30/09/2016: €71 million, of which €22 million from discontinued operations) and real estate related liabilities totalling €7 million (30/09/2016: €19 million, of which €12 million from discontinued operations).

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Other tax liabilities include sales tax, land tax, payroll and church tax, and other taxes.

Deferred income includes accrued rental, leasing and interest income, as well as accrued sales from customer loyalty programmes, the sale of vouchers and guarantee contracts, and other accruals.

Significant items in the other financial liabilities are liabilities from prepayments received on orders amounting to €39 million (30/09/2016: €48 million, of which €15 million from discontinued operations) and liabilities from leases (no finance leases) of €39 million (30/09/2016: €57 million, of which €13 million from discontinued operations).

| | 30/09/2016 | | | 30/09/2017 | | |
|---|---|---|---|---|---|---|
| | | Remaining term | | | Remaining term | |
| € million | Total | up to 1 year | more than 1 year | Total | up to 1 year | more than 1 year |
| Payroll liabilities | 816 | 816 | 0 | 254 | 254 | 0 |
| Miscellaneous financial liabilities | 748 | 717 | 31 | 279 | 263 | 15 |
| **Other financial liabilities** | **1,564** | **1,533** | **31** | **533** | **517** | **15** |
| Other tax liabilities | 325 | 325 | 0 | 179 | 179 | 0 |
| Deferred income | 608 | 497 | 112 | 404 | 366 | 38 |
| Miscellaneous non-financial liabilities | 158 | 110 | 48 | 83 | 51 | 32 |
| **Other non-financial liabilities** | **1,092** | **932** | **160** | **666** | **596** | **70** |
| **Other financial and non-financial liabilities** | **2,656** | **2,465** | **191** | **1,199** | **1,113** | **86** |

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## 39. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following financial assets and financial liabilities that are subject to offsetting agreements, enforceable master netting agreements and similar agreements existed as follows:

| | | | | | | 30/09/2016 |
|---|---|---|---|---|---|---|
| | (a) | (b) | (c) = (a) - (b) | | (d) | (e) = (c) - (d) |
| | Gross amounts of recognised financial assets/ liabilities | Gross amounts of recognised financial liabilities/assets that are netted in the statement of financial position | Net amounts of financial assets/liabilities that are shown in the statement of financial position | Corresponding amounts that are not netted in the statement of financial position | | |
| € million | | | | Financial instruments | Collateral received/provided | Net amount |
| **Financial assets** | | | | | | |
| Loans and advance credit granted | 58 | 0 | 58 | 0 | 0 | 58 |
| Receivables due from suppliers | 2,271 | 497 | 1,774 | 142 | 0 | 1,632 |
| Trade receivables | 815 | 7 | 808 | 1 | 0 | 807 |
| Investments | 23 | 0 | 23 | 0 | 0 | 23 |
| Miscellaneous financial assets | 503 | 1 | 502 | 0 | 0 | 502 |
| Derivative financial instruments | 6 | 0 | 6 | 1 | 0 | 5 |
| Cash and cash equivalents | 2,368 | 0 | 2,368 | 0 | 0 | 2,368 |
| Receivables from finance leases | 32 | 0 | 32 | 0 | 0 | 32 |
| | **6,076** | **505** | **5,570** | **144** | **0** | **5,427** |
| **Financial liabilities** | | | | | | |
| Financial liabilities (excl. finance leases) | 3,508 | 0 | 3,508 | 0 | 0 | 3,508 |
| Trade payables | 9,870 | 487 | 9,383 | 125 | 0 | 9,258 |
| Miscellaneous financial liabilities | 1,568 | 18 | 1,550 | 18 | 0 | 1,532 |
| Derivative financial instruments | 14 | 0 | 14 | 1 | 0 | 13 |
| Liabilities from finance leases | 1,251 | 0 | 1,251 | 0 | 0 | 1,251 |
| | **16,211** | **505** | **15,706** | **144** | **0** | **15,562** |

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| | 30/09/2017 | | | | | |
|---|---|---|---|---|---|---|
| | (a) | (b) | (c) = (a) - (b) | | (d) | (e) = (c) - (d) |
| | Gross amounts of recognised financial assets/ liabilities | Gross amounts of recognised financial liabilities/assets that are netted in the statement of financial position | Net amounts of financial assets/liabilities that are shown in the statement of financial position | Corresponding amounts that are not netted in the statement of financial position | | |
| € million | | | | Financial instruments | Collateral received/provided | Net amount |
| **Financial assets** | | | | | | |
| Loans and advance credit granted | 14 | 0 | 14 | 0 | 0 | 14 |
| Receivables due from suppliers | 1,397 | 151 | 1,246 | 62 | 0 | 1,184 |
| Trade receivables | 505 | 6 | 498 | 12 | 0 | 486 |
| Investments | 122 | 0 | 122 | 0 | 0 | 122 |
| Miscellaneous financial assets | 739 | 0 | 739 | 0 | 0 | 739 |
| Derivative financial instruments | 3 | 0 | 3 | 0 | 0 | 3 |
| Cash and cash equivalents | 861 | 0 | 861 | 0 | 0 | 861 |
| Receivables from finance leases | 0 | 0 | 0 | 0 | 0 | 0 |
| | **3,640** | **158** | **3,483** | **73** | **0** | **3,409** |
| **Financial liabilities** | | | | | | |
| Financial liabilities (excl. finance leases) | 513 | 0 | 513 | 0 | 0 | 513 |
| Trade payables | 5,069 | 140 | 4,929 | 49 | 0 | 4,881 |
| Miscellaneous financial liabilities | 551 | 18 | 533 | 25 | 0 | 508 |
| Derivative financial instruments | 0 | 0 | 0 | 0 | 0 | 0 |
| Liabilities from finance leases | 31 | 0 | 31 | 0 | 0 | 31 |
| | **6,164** | **158** | **6,006** | **73** | **0** | **5,933** |

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The financial instruments that have not been netted could be netted based on the underlying framework agreements, but do not fulfil the netting criteria of IAS 32 (Financial Instruments: Presentation).

## 40. UNDISCOUNTED CASH FLOWS OF FINANCIAL LIABILITIES

The undiscounted cash flows of financial liabilities, trade liabilities and derivative liabilities are as follows:

| | | Cash flows up to 1 year | | Cash flows 1 to 5 years | | Cash flows more than 5 years | |
|---|---|---|---|---|---|---|---|
| € million | Carrying amount at 30/09/2016 | Interest | Redemption | Interest | Redemption | Interest | Redemption |
| **Financial liabilities** | | | | | | | |
| Bonds | 3,164 | 50 | 672 | 150 | 1,175 | 78 | 1,276 |
| Liabilities to banks | 276 | 4 | 130 | 10 | 127 | 1 | 17 |
| Promissory note loans | 68 | 3 | 0 | 9 | 12 | 2 | 54 |
| Finance leases | 1,251 | 82 | 91 | 271 | 384 | 297 | 776 |
| Trade payables | 9,383 | 0 | 9,383 | 0 | 0 | 0 | 0 |
| Currency derivatives carried as liabilities | 14 | 0 | 14 | 0 | 0 | 0 | 0 |

| | | Cash flows up to 1 year | | Cash flows 1 to 5 years | | Cash flows more than 5 years | |
|---|---|---|---|---|---|---|---|
| € million | Carrying amount at 30/09/2017 | Interest | Redemption | Interest | Redemption | Interest | Redemption |
| **Financial liabilities** | | | | | | | |
| Bonds | 254 | 0 | 254 | 0 | 0 | 0 | 0 |
| Liabilities to banks | 8 | 0 | 8 | 0 | 0 | 0 | 0 |
| Promissory note loans | 251 | 3 | 1 | 9 | 189 | 2 | 61 |
| Finance leases | 31 | 1 | 3 | 1 | 12 | 2 | 17 |
| Trade payables | 4,929 | 0 | 4,929 | 0 | 0 | 0 | 0 |
| Currency derivatives carried as liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

## 41. CARRYING AMOUNTS AND FAIR VALUES ACCORDING TO MEASUREMENT CATEGORIES

The carrying amounts and fair values of recognised financial instruments are as follows:

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| | 30/09/2016 | | | | |
|---|---|---|---|---|---|
| | | Statement of financial position value | | | |
| € million | Carrying amount | (Amortised) cost | Fair value through profit or loss | Fair value outside of profit or loss | Fair value |
| **Assets** | **24,952** | | | | |
| **Loans and receivables** | **3,140** | **3,140** | **0** | **0** | **3,141** |
| Loans and advance credit granted | 58 | 58 | 0 | 0 | 58 |
| Receivables due from suppliers | 1,774 | 1,774 | 0 | 0 | 1,774 |
| Trade receivables | 808 | 808 | 0 | 0 | 808 |
| Miscellaneous financial assets | 500 | 500 | 0 | 0 | 501 |
| **Held to maturity** | **0** | **0** | **0** | **0** | **0** |
| Miscellaneous financial assets | 0 | 0 | 0 | 0 | 0 |
| **Held for trading** | **4** | **0** | **4** | **0** | **4** |
| Derivative financial instruments not in a hedging relationship within the meaning of IAS 39 | 4 | 0 | 4 | 0 | 4 |
| **Available for sale** | **24** | **23** | **0** | **2** | |
| Investments | 23 | 23 | 0 | 0 | |
| Securities | 2 | 0 | 0 | 2 | 2 |
| **Derivative financial instruments in a hedging relationship within the meaning of IAS 39** | **2** | **0** | **0** | **2** | **2** |
| **Cash and cash equivalents** | **2,368** | **2,368** | **0** | **0** | **2,368** |
| **Receivables from finance leases (amount according to IAS 17)** | **32** | | | | **46** |
| **Assets not classified according to IFRS 7** | **19,382** | | | | |
| **Equity and liabilities** | **24,952** | | | | |
| **Held for trading** | **10** | **0** | **10** | **0** | **10** |
| Derivative financial instruments not in a hedging relationship within the meaning of IAS 39 | 10 | 0 | 10 | 0 | 10 |
| **Other financial liabilities** | **14,441** | **14,440** | **0** | **0** | **14,586** |
| Financial liabilities excl. finance leases (incl. hedged items in hedging relationships within the meaning of IAS 39) | 3,508 | 3,507 | 0 | 0 | 3,652 |
| Trade payables | 9,383 | 9,383 | 0 | 0 | 9,383 |
| Miscellaneous financial liabilities[1] | 1,550 | 1,550 | 0 | 0 | 1,550 |
| **Derivative financial instruments in a hedging relationship within the meaning of IAS 39** | **4** | **0** | **0** | **4** | **4** |
| **Liabilities from finance leases (amount according to IAS 17)** | **1,251** | | | | **1,577** |
| **Equity and liabilities not classified according to IFRS 7** | **9,246** | | | | |

[1] Previous year's figures adjusted owing to altered reporting of put options and earn-out liabilities

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| € million | 30/09/2017 | | | | |
|---|---|---|---|---|---|
| | | Statement of financial position value | | | |
| | Carrying amount | (Amortised) cost | Fair value through profit or loss | Fair value outside of profit or loss | Fair value |
| **Assets** | **8,280** | | | | |
| **Loans and receivables** | **1,913** | **1,913** | **0** | **0** | **1,913** |
| Loans and advance credit granted | 14 | 14 | 0 | 0 | 14 |
| Receivables due from suppliers | 1,246 | 1,246 | 0 | 0 | 1,246 |
| Trade receivables | 498 | 498 | 0 | 0 | 498 |
| Miscellaneous financial assets | 155 | 155 | 0 | 0 | 155 |
| **Held to maturity** | **0** | **0** | **0** | **0** | **0** |
| Miscellaneous financial assets | 0 | 0 | 0 | 0 | 0 |
| **Held for trading** | **3** | **0** | **3** | **0** | **3** |
| Derivative financial instruments not in a hedging relationship within the meaning of IAS 39 | 3 | 0 | 3 | 0 | 3 |
| **Available for sale** | **706** | **57** | **0** | **649** | |
| Investments | 122 | 57 | 0 | 65 | |
| Securities | 584 | 0 | 0 | 584 | 584 |
| **Derivative financial instruments in a hedging relationship within the meaning of IAS 39** | **0** | **0** | **0** | **0** | **0** |
| **Cash and cash equivalents** | **861** | **861** | **0** | **0** | **861** |
| **Receivables from finance leases (amount according to IAS 17)** | **0** | | | | **0** |
| **Assets not classified according to IFRS 7** | **4,797** | | | | |
| **Liabilities** | **8,280** | | | | |
| **Held for trading** | **0** | **0** | **0** | **0** | **0** |
| Derivative financial instruments not in a hedging relationship within the meaning of IAS 39 | 0 | 0 | 0 | 0 | 0 |
| **Other financial liabilities** | **5,975** | **5,975** | **0** | **0** | **5,975** |
| Financial liabilities excl. finance leases (incl. hedged items in hedging relationships within the meaning of IAS 39) | 513 | 513 | 0 | 0 | 513 |
| Trade payables | 4,929 | 4,929 | 0 | 0 | 4,929 |
| Miscellaneous financial liabilities | 533 | 533 | 0 | 0 | 532 |
| **Derivative financial instruments in a hedging relationship within the meaning of IAS 39** | **0** | **0** | **0** | **0** | **0** |
| **Liabilities from finance leases (amount according to IAS 17)** | **31** | | | | **31** |
| **Liabilities not classified according to IFRS 7** | **2,274** | | | | |

Classes were formed based on similar risks for the respective financial instruments and generally correspond to the categories of IAS 39. The table above provides a more detailed breakdown of individual financial assets and liabilities. Derivative financial instruments in a hedging relationship under IAS 39 and other financial liabilities are classified in each case as a separate class.

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The fair value hierarchy comprises three levels which reflect the degree of closeness to the market of the input parameters used in the determination of the fair values. In cases in which the valuation is based on different input parameters, the fair value is attributed to the hierarchy level corresponding to the input parameter of the lowest level that is significant for the valuation.

**Input parameters for level 1:** quoted prices (that are adopted unchanged) in active markets for identical assets or liabilities which the Company can access at the valuation date.

**Input parameters for level 2:** other input parameters than the quoted prices included in level 1 which are either directly or indirectly observable for the asset or liability.

**Input parameters for level 3:** input parameters that are not observable for the asset or liability.

Of the total carrying amount of investments amounting to €122 million (30/09/2016: €23 million), €57 million (30/09/2016: €23 million) are valued at cost of purchase because their fair values cannot be reliably determined. These concern off-exchange financial instruments without an active market. One significant item is €51 million for the 6.61 per cent investment in METRO PROPERTIES GmbH & Co. KG. The Company does not currently plan to dispose of the investments recognised at cost of purchase.

At €65 million, the investments recognised at fair value outside of profit or loss all relate to the listed shares in METRO AG reported in the non-current section of the statement of financial position.

In addition, securities totalling €584 million (30/09/2016: €2 million) were subsequently valued at fair value outside of profit or loss. These relate to the listed shares in METRO AG recognised in the current section of the statement of financial position.

The following table shows the financial instruments that are recognised at fair value in the statement of financial position. These are classified into a three-level fair value hierarchy with levels reflecting the degree of closeness to the market of the data used in the determination of the fair values:

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| | 30/09/2016 | | | | 30/09/2017 | | | |
|---|---|---|---|---|---|---|---|---|
| € million | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 |
| **Assets** | **8** | **2** | **6** | **0** | **652** | **649** | **3** | **0** |
| **Held for trading** | | | | | | | | |
| Derivative financial instruments not in a hedging relationship within the meaning of IAS 39 | 4 | 0 | 4 | 0 | 3 | 0 | 3 | 0 |
| **Available for sale** | | | | | | | | |
| Investments | 0 | 0 | 0 | 0 | 65 | 65 | 0 | 0 |
| Securities | 2 | 2 | 0 | 0 | 584 | 584 | 0 | 0 |
| **Derivative financial instruments in a hedging relationship within the meaning of IAS 39** | **2** | **0** | **2** | **0** | **0** | **0** | **0** | **0** |
| **Equity and liabilities** | **14** | **0** | **14** | **0** | **0** | **0** | **0** | **0** |
| **Held for trading** | | | | | | | | |
| Derivative financial instruments not in a hedging relationship within the meaning of IAS 39 | 10 | 0 | 10 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous financial liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Other financial liabilities** | | | | | | | | |
| Miscellaneous financial liabilities[1] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Derivative financial instruments in a hedging relationship within the meaning of IAS 39** | **4** | **0** | **4** | **0** | **0** | **0** | **0** | **0** |
| | **–6** | **2** | **–8** | **0** | **652** | **649** | **3** | **0** |

[1] Previous year's figure altered; put options and earn-out liabilities are valued at (amortised) historical costs

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The measurement of securities (level 1) is carried out based on quoted market prices on active markets.

Interest rate swaps and currency transactions (all level 2) are measured using the mark-to-market method based on quoted exchange rates and market yield curves.

No transfers between levels 1 and 2 were effected during the reporting period.

There were no transfers to or from level 3 during the current financial year or the previous year.

Financial instruments that are recognised at amortised cost in the statement of financial position, but for which the fair value is stated in the notes, are also classified according to a three-level fair value hierarchy.

Due to their mostly short terms, the fair values of receivables due from suppliers, trade receivables and liabilities as well as cash and cash equivalents essentially correspond to their carrying amounts.

The measurement of the fair value of bonds, liabilities to banks and promissory note loans is based on the market interest rate curve following the zero-coupon method in consideration of credit spreads (level 2). The amounts comprise interest prorated to the closing date.

The fair values of all other non-listed financial assets and liabilities correspond to the present value of payments underlying these statement of financial position items. The calculation was based on the applicable country-specific yield curves (level 2) as of the closing date.

# Other notes

## 42. NOTES TO THE CASH FLOW STATEMENT

In accordance with IAS 7 (Statements of Cash Flow), the consolidated cash flow statement describes changes in the Group's cash and cash equivalents through cash inflows and outflows during the reporting year.

The cash and cash equivalents item includes cheques, cash in hand, cash in transit, and bank deposits with a remaining term of up to three months.

The cash flow statement distinguishes between changes in cash levels from operating, investing and financing activities. Cash flows from discontinued operations are shown separately where they concern discontinued business operations.

Cash flows from discontinued operations in the reporting year relate to discontinued wholesale and food retail activities.

The following explanations relate to continuing operations.

During the reporting year cash flows from operating activity of €521 million (2015/16: €378 million) were generated. Depreciation and impairment losses totalled €267 million (2015/16: €313 million): €221 million (2015/16: €233 million) on property, plant and equipment, and €46 million (2015/16: €80 million) on other intangible assets. Reversals of impairment losses, on the other hand, amount to €3 million (2015/16: €6 million).

The change in net working capital of €52 million (2015/16: €–225 million) includes changes in inventories, trade receivables and receivables due from suppliers included in the "Other financial and non-financial assets" item, credit card receivables and prepayments made on inventories. The item also includes changes in trade liabilities and liabilities to customers, deferred sales related to vouchers and customer loyalty programmes, provisions for customer loyalty programmes and rights of return as well as prepayments made on orders.

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Other operating activities resulted in a total cash inflow of €64 million (2015/16: €230 million). This item includes changes in other assets and liabilities as well as deferred income and prepaid expenses. It also includes changes in the assets and liabilities held for sale, adjustments of unrealised currency effects and the elimination of deconsolidation results recognised in EBIT. A key item in the previous year was the payment of €220 million to the METRO benevolent fund.

Investing activities in the reporting year led to a cash outflow of €744 million (2015/16: €376 million). The change in comparison with the previous year results essentially from payments for the acquisition of the holding in Fnac Darty S.A., which is reported in other investments.

The amount of investments in property, plant and equipment shown as cash outflows differs from the inflows shown in the statement of movement in fixed assets in the amount of non-cash transactions. These essentially concern additions from finance leases, exchange-rate effects and changes in liabilities from the acquisition of miscellaneous assets.

There was a cash inflow from financing activity in the reporting year of €140 million (2015/16: outflow of €454 million), which was essentially attributable to proceeds from long-term borrowings of €512 million.

The cash and cash equivalents were subject to no restrictions.

Cash flows from discontinued operations relate to the area to be demerged, with the sales lines METRO Cash & Carry and Real, including real estate and the associated management and service activities. Cash flows from discontinued operations are calculated as follows:

| € million | 2015/16 | 2016/17 |
|---|---|---|
| EBIT | 1,201 | 1,001[1] |
| Scheduled depreciation, appreciation and impairments of assets | 710 | 244 |
| Change in provisions for pensions and similar obligations | 65 | −58 |
| Change in net working capital | −58 | −517 |
| Income taxes paid | −191 | −165 |
| Reclassification of gains (–) / losses (+) from the disposal of fixed assets | −151 | −126 |
| Other | −383 | −143 |
| **Cash flow from operating activities of discontinued operations** | **1,192** | **236** |

[1] Without non-cash results from deconsolidation

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Acquisitions of subsidiaries | −84 | −183 |
| Investments in property, plant and equipment (excl. finance leases) | −588 | −430 |
| Other investments | −233 | −678 |
| Disposal of subsidiaries | 559 | −1,089 |
| Disposal of fixed assets | 700 | 836 |
| **Cash flow from financing activities of discontinued operations** | **354** | **−1,544** |

| € million | 2015/16 | 2016/17 |
|---|---|---|
| Dividends paid | | |
| to other shareholders | −15 | −19 |
| Redemption of liabilities from put options of non-controlling interests | −86 | −20 |
| Proceeds from long-term borrowings | 596 | 1,628 |
| Redemption of borrowings | −3,399 | −1,554 |
| Interest paid | −277 | −147 |
| Interest received | 81 | 28 |
| Profit and loss transfers and other financing activities | −31 | −6 |
| **Cash flow from financing activities of discontinued operations** | **−3,130** | **−91** |

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Cash outflows at the time of the demerger totalling €−1,012 million are contained in disposals of subsidiaries. In addition, they include payments for the sale of the Galeria-Kaufhof Group in the amount of €−27 million (2015/2016: €220 million).

Financial investments (disposals) are shown under other investments (disposal of fixed assets).

## 43. SEGMENT REPORTING

The segmentation corresponds to the Group's internal control and reporting structures.

The Chief Operating Decision Maker (CODM) of CECONOMY in accordance with IFRS 8 – Segment reporting is the Management Board of CECONOMY AG. Board members are jointly responsible for resource allocation and for assessing operational earnings strength. As a general principle, management at CECONOMY is conducted at country level. The CODM of CECONOMY therefore manages the Company's activities on the basis of internal reporting, which generally contains key indicators for each country. Resource allocation and performance measurement are accordingly also conducted at country level.

CECONOMY is active in a single business field, that of consumer electronics. In combination with a relatively homogeneous orientation its products, services, customer groups and distribution methods are similar in all countries. Based on similar prevailing economic conditions and the commercial circumstances of business activities, individual countries are grouped together in the following business segments that are subject to a reporting obligation:

- DACH (Germany, Austria, Switzerland, Hungary)

- Western/Southern Europe

- Eastern Europe

All business segments that are not subject to a reporting obligation, and business activities that do not meet the definition criteria for a business segment, are grouped together under "Miscellaneous".

↗ Further details of the segments are contained in the combined management report.

The key components of segment reporting are as follows:

- External sales represent sales of the operating segments to third parties outside the Group.

- Internal sales represent sales between the Group's operating segments.

- The EBITDA segment comprises EBIT before depreciation and reversals of impairment losses on property, plant and equipment, intangible assets and investment properties.

- EBIT is the key ratio for segment reporting and describes operating earnings for the period before net financial result and income taxes. Intra-group rental contracts are shown as operating leases in the segments. The properties are leased at market terms. In principle, location-related risks and impairment risks related to non-current assets are shown only in the segments where they represent Group risks. This also applies by analogy to deferred assets and liabilities, which are only shown at segment level if this was also required in the consolidated statement of financial position.

- Transactions that do not regularly recur such as restructurings or changes to the Group portfolio are adjusted in EBITDA and EBIT before special items.

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The reconciliation from EBITDA before special items to reported EBITDA and the reconciliation from EBIT before special items to reported EBIT are shown in the following table:

| € million | 2015/16 | 2016/17 |
|---|---|---|
| **EBITDA before special items** | **719** | **704** |
| Portfolio changes | −5 | −1 |
| Restructuring and efficiency enhancing measures | −58 | −85 |
| Risk provisions including impairment losses on goodwill | - | - |
| Miscellaneous special items | −37 | −21 |
| **Reported EBITDA** | **619** | **597** |

| € million | 2015/16 | 2016/17 |
|---|---|---|
| **EBIT before special items** | **466** | **471** |
| Portfolio changes | −5 | −15 |
| Restructuring and efficiency enhancing measures | −111 | −102 |
| Risk provisions including impairment losses on goodwill | - | - |
| Other special items | −37 | −21 |
| **Reported EBIT** | **312** | **334** |

Scheduled depreciation and impairments include special items in the amount of €31 million in the current financial year.

- Segment investments include additions (including additions to the scope of consolidation) to non-current intangible assets, property, plant and equipment, and properties held as financial investments. This does not apply to additions based on the reclassification of "Assets held for sale" as non-current assets.

- Segment assets include non-current and current assets. The main items not included are financial assets, investments accounted for using the equity method, tax items, cash and cash equivalents and assets attributable to discontinued operations.

The reconciliation from segment assets to Group assets is shown in the following table:

| € million | 30/09/2016 | 30/09/2017 |
|---|---|---|
| **Segment assets** | **1,523** | **1,512** |
| Non-current and current financial assets | 14 | 135 |
| Investments accounted for using the equity method | 5 | 458 |
| Cash and cash equivalents | 661 | 861 |
| Deferred tax assets | 231 | 39 |
| Entitlements to income tax refunds | 93 | 87 |
| Other entitlements to tax refunds[1] | 84 | 87 |
| Inventories | 2,393 | 2,553 |
| Trade receivables | 324 | 498 |
| Receivables due from suppliers[1] | 1,183 | 1,246 |
| Receivables due from real estate[1] | 4 | 6 |
| Credit-card receivables[1] | 28 | 68 |
| Prepaid expenses and deferred charges[1] | 69 | 68 |
| Receivables from other financial transactions[2] | 1 | 588 |
| Assets held for sale | 18,250 | 0 |
| Other[1,2] | 89 | 74 |
| **Group assets** | **24,952** | **8,280** |

[1] Included in the balance-sheet item "Other financial and non-financial assets" (current)
[2] Included in the statement of financial position items "Other financial and non-financial assets (non-current and current)"

In principle, transfers between segments are made based on the costs incurred from the Group's perspective.

## 44. MANAGEMENT OF FINANCIAL RISKS

The CECONOMY AG Treasury manages the Company's financial risks. These include, in particular:

- price risks

- liquidity risks

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- creditworthiness risks, and

- cash flow risks.

↗ For more information about the risk management system, see the combined management report in the economic report – asset, financial and earnings position – financial and asset position – financial management.

**Price risks**
For CECONOMY, price risks result from the impact of changes in market interest rates, exchange rates and share prices on the value of financial instruments.

**Interest risks** arise from changes in the interest-rate level. These risks can be mitigated with interest-rate derivatives if necessary.

CECONOMY's remaining interest rate risk is assessed in accordance with IFRS 7 using a sensitivity analysis. In the process, the following assumptions are applied in the consideration of changes in interest rates:

- The total impact determined by the sensitivity analysis relates to the actual balance as at the closing date and reflects the impact for one year.

- Primary variable interest rate financial instruments whose interest payments are not designated as the underlying transaction in a cash flow hedge against changes in interest rates are recognised in the interest result in the sensitivity analysis. Owing to the currently low level of interest rates, sensitivity to a change of ten basis points is determined.

- The sensitivity analysis takes no account of primary fixed-interest financial instruments.

- Financial instruments designated as the hedging transaction within a cash flow hedge to hedge against variable interest flows will only be recognised in the interest result when the payment flows have actually been initiated. However, the measurement of the hedging transaction at fair value is recognised in reserves retained from earnings outside of profit or loss.

- Interest rate derivatives that are not part of a qualified hedging transaction within the meaning of IAS 39 are recognised at fair value in profit or loss under other financial result, and through the resulting interest flows in the interest result.

As at the closing date, CECONOMY's remaining interest rate risk is primarily the result of variable interest rate receivables and liabilities to banks as well as other short-term liquid financial assets (shown under "cash and cash equivalents") with an aggregate debit balance after consideration of hedging transactions of €699 million (30/09/2016: €2,056 million).

On this overall balance an interest-rate rise of ten basis points resulted in an increase of €1 million (2015/16: €2 million) higher earnings in the interest result per year. An interest-rate decline of ten basis points has the opposite effect: €−1 million (2015/16: €−2 million).

CECONOMY is exposed to **currency risks** by virtue of international purchases of goods and on the basis of costs and funding that are incurred in a currency other than that of the relevant country or are linked to the performance of another currency. The Group "Foreign currency transactions" guideline imposes a hedging requirement for resulting foreign currency positions. Exceptions to this hedging requirement exist where hedging is not economically reasonable and in the case of legal and regulatory restrictions in the respective countries. Forward currency contracts/ options and interest-rate and currency swaps can be considered for hedging purposes.

In line with IFRS 7, the presentation of the currency risk resulting from the exceptions is also based on a sensitivity analysis. In the process, the following assumptions are made in the consideration of a devaluation or revaluation of the euro vis-à-vis other currencies:

The total effect presented by the sensitivity analysis, in terms of its amount and result characteristics, relates to the amounts of foreign

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currency held within the consolidated subsidiaries of CECONOMY and states the effect of a devaluation or revaluation of the euro.

A devaluation of the euro will result in a positive effect if a receivable in the foreign currency exists at a subsidiary which uses the euro as its functional currency and if a liability exists in euro at a subsidiary which does not use the euro as its functional currency. The following table shows the nominal volumes of currency pairs in this category with a positive sign.

A devaluation of the euro will result in a negative effect if a receivable exists in euro at a subsidiary which does not use the euro as its functional currency and if a liability in the foreign currency exists at a subsidiary which uses the euro as its functional currency. Correspondingly, the following table shows the nominal volumes of currency pairs in this category with a negative sign.

By contrast, an appreciation of the euro will have the opposite effect for all currency pairs shown above.

In the sensitivity analysis, the effects of the measurement of non-equity foreign currency positions that are calculated based on the closing date price in line with IAS 21 are recognised in the statement of profit or loss. In the case of net investments in a foreign operation, the effects of the closing date measurement are recognised in equity (other comprehensive income) outside of profit or loss.

Foreign currency futures/options and interest rate and currency swaps that are not part of a qualified hedge under IAS 39 are recognised through the fair value measurement in the statement of profit or loss. In fully effective hedging transactions this effect is offset by the effect from the measurement of the underlying foreign currency transaction.

In the consolidated financial statements, foreign currency future transactions are designated as hedging transactions within a cash flow hedge to hedge merchandise procurement and sales. Changes in the fair value of these hedging instruments are recognised in other comprehensive income until the underlying transaction is recognised through profit or loss.

Effects from the currency translation of financial statements whose functional currency is not the reporting currency of CECONOMY do not affect cash flows in local currency and are therefore not part of the sensitivity analysis.

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The substantial decline in foreign currency volumes, and thus also in possible currency risk positions, is essentially attributable to the discontinued operations contained in the previous year's figures.

As at the closing date, the remaining currency risk of CECONOMY, which is essentially due to an inability to hedge certain currencies for legal reasons or due to insufficient market depth, was as follows:

| | | Impact of devaluation/revaluation of euro by 10% | | | |
|---|---|---|---|---|---|
| € million | Currency pair | Volume | 30/09/2016 | Volume | 30/09/2017 |
| **Profit or loss for the period** | | | +/– | | +/– |
| | CHF/EUR | +28 | 3 | +2 | 0 |
| | CNY/EUR | +38 | 4 | 0 | 0 |
| | CZK/EUR | –7 | –1 | 0 | 0 |
| | EGP/EUR | +31 | 3 | 0 | 0 |
| | GBP/EUR | –9 | –1 | 0 | 0 |
| | HKD/EUR | –13 | –1 | 0 | 0 |
| | JPY/EUR | –10 | –1 | 0 | 0 |
| | KZT/EUR | +13 | 1 | 0 | 0 |
| | MDL/EUR | +38 | 4 | 0 | 0 |
| | NOK/EUR | 0 | 0 | –9 | –1 |
| | PLN/EUR | +32 | 3 | +23 | 2 |
| | RON/EUR | +35 | 4 | 0 | 0 |
| | RSD/EUR | +14 | 1 | 0 | 0 |
| | RUB/EUR | +34 | 3 | 0 | 0 |
| | SEK/EUR | +29 | 3 | +26 | 3 |
| | TRY/EUR | +8 | 1 | 0 | 0 |
| | UAH/EUR | +34 | 3 | 0 | 0 |
| | USD/EUR | –16 | –2 | –7 | –1 |
| **Equity** | | | +/– | | +/– |
| | CNY/EUR | +18 | 2 | 0 | 0 |
| | CZK/EUR | +5 | 1 | 0 | 0 |
| | KZT/EUR | +237 | 24 | 0 | 0 |
| | PLN/EUR | +75 | 8 | 0 | 0 |
| | RON/EUR | +7 | 1 | 0 | 0 |
| | RSD/EUR | +16 | 2 | 0 | 0 |
| | RUB/EUR | +147 | 15 | +90 | 9 |
| | UAH/EUR | +242 | 24 | 0 | 0 |
| | USD/EUR | +38 | 4 | 0 | 0 |

In the previous year, additional currency risks stemmed from US dollar currency holdings of various subsidiaries in which the functional currency is neither the US dollar nor the euro. At a nominal US dollar volume of €+21 million a devaluation of the US dollar by 10 per cent would result in positive effects of €2 million in profit or loss for the period. Conversely, a revaluation of the US dollar would have negative effects of €2 million. At a nominal volume of €+21 million the CNY/USD currency pair accounts for the bulk of this negative effect.

**Interest rate and currency risks** are substantially reduced and limited by the principles laid down in CECONOMY's internal treasury guidelines. These include a regulation applicable throughout the Group, according to which all hedging operations must adhere to predefined limits and must not under any circumstances. lead to increased risk exposure CECONOMY is aware that this severely limits the opportunities to exploit current or expected interest rate and exchange rate movements to optimise results.

In addition, hedging may be carried out using only standard financial derivative instruments whose correct actuarial and accounting mapping and valuation in the treasury system are guaranteed.

As at the closing date, the following derivative financial instruments were being used for risk reduction:

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| € million | 30/09/2016 | | | 30/09/2017 | | |
|---|---|---|---|---|---|---|
| | | Fair values | | | Fair values | |
| | Nominal volumes | Financial assets | Financial liabilities | Nominal volumes | Financial assets | Financial liabilities |
| **Currency transactions** | | | | | | |
| Currency futures/options | | | | | | |
| within fair value hedges | 0 | 0 | 0 | 0 | 0 | 0 |
| within cash flow hedges | 107 | 2 | 4 | 0 | 0 | 0 |
| not part of hedges | −388 | 4 | 10 | −373 | 3 | 0 |
| | **−281** | **6** | **14** | **−373** | **3** | **0** |

The nominal volume of future currency contracts/options is determined by the net position of the buying and selling values in foreign currency underlying the individual transactions translated at the relevant exchange rate on the closing date. All fair values represent the theoretical value of these instruments upon dissolution of the transaction at the closing date. Under the premise that instruments are held until the end of their term, these are unrealised gains and losses that, by the end of the term, will be fully set off by gains and losses from the underlying transactions in the case of fully effective hedging transactions.

In order to show this reconciliation for the period appropriately, relationships are created between hedging transactions and underlying transactions and recognised as follows:

- Within a fair value hedge, both the hedging transaction and the hedged risk of the underlying transaction are recognised at their fair value. The value fluctuations of both transactions are shown in the statement of profit or loss, where they will be fully set off against each other in the case of full effectiveness.
- Within a cash flow hedge, the hedging transactions are also principally recognised at their fair value. In the case of full effectiveness of the hedging transaction, the value changes will be recognised in equity until the hedged payment flows or expected transactions impact on earnings. Only then will they be recognised in the statement of profit or loss.
- Hedging transactions that, according to IAS 39, are not part of a hedge are recognised at their fair value. Value changes are recognised directly in the statement of profit or loss. Even if no formal hedging relationship was created, these are hedging transaction that are closely connected to the underlying transaction and whose impact on earnings will be netted by the underlying transaction (natural hedge).

The currency derivative deployed were primarily the Russian rouble, the Swiss franc and the Swedish krona.

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The derivative financial instruments have the following maturities:

| | 30/09/2016 fair values | | | 30/09/2017 fair values | | |
|---|---|---|---|---|---|---|
| | Maturities | | | Maturities | | |
| € million | Up to 1 year | 1 to 5 years | more than 5 years | Up to 1 year | 1 to 5 years | more than 5 years |
| **Currency transactions** | | | | | | |
| Future currency contracts/options | | | | | | |
| within fair value hedges | 0 | 0 | 0 | 0 | 0 | 0 |
| within cash flow hedges | −1 | 0 | 0 | 0 | 0 | 0 |
| not part of hedges | −7 | 0 | 0 | 3 | 0 | 0 |
| | **−8** | **0** | **0** | **3** | **0** | **0** |

Listed below the maturities are the fair values of the financial assets and liabilities that fall due during these periods.

The repricing dates for variable interest rates are less than one year.

**Liquidity risks**

Liquidity risk describes the risk of being unable to procure or provide funding or being able to procure or provide funding only at a higher cost. Liquidity risks may arise, for example, as a result of temporary capital market disruptions, creditor defaults, insufficient credit facilities, or the absence of budgeted incoming payments. The Treasury provides coverage for the financial needs for operations and investments as affordably as possible and with sufficient scope. The necessary information is provided in the consolidated financial planning issued three months after the end of the financial year for the individual companies and is subject such to a deviation analysis. The financial planning is supplemented by a short-term liquidity planning and updated on a rolling basis.

Financing instruments may take the forms of products on the money and capital markets (fixed interest and overnight deposits, promissory note loans, commercial papers) along with multi-year bilateral and syndicated credit facilities. CECONOMY thus has sufficient liquidity reserves in order to cover liquidity risks should unexpected events have a negative financial impact on cash flows. Please refer to the notes on the statement of financial position entries for further details on financing and credit facility instruments.

↗ Further details are provided in notes No. 30 – Cash and cash equivalents, and No. 37 – Financial liabilities.

Cash pooling allows the surplus liquidity of individual Group companies to be used to fund other Group companies internally. This reduces the Group's debt volume and thus its interest expenses. In addition, CECONOMY draws on the financial expertise pooled in the treasury of CECONOMY to advise the Group companies in all relevant financial matters and provide support. This ranges from the elaboration of investment financing concepts to supporting the responsible financial officers of the individual Group companies in their discussions with local banks and financial service providers. Thus the financial resources of CECONOMY are optimally employed, and all Group companies benefit from the strength and credit standing of CECONOMY in negotiating their financing terms.

**Credit risks**

Credit risks arise from the total or partial default by a counterparty, for example, through bankruptcy or in connection with monetary investments and derivative financial instruments with positive market values. CECONOMY's maximum default exposure as of the closing date is reflected by the carrying amount of financial assets totalling €3,483 million (30/09/2016: €5,570 million).

↗ For more information about the amount of the respective carrying amounts, see No. 41 – Carrying amounts and fair values according to measurement categories.

The cash and cash-equivalents include cash balances of €64 million (30/09/2016: €115 million) which have no default risk.

As part of risk management for investments totalling €744 million (30/09/2016: €2,229 million) and derivative financial instruments totalling €3 million (30/09/2016: €6 million), all CECONOMY business part-

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ners need to meet a minimum of credit worthiness, and are also subject to maximum limits for involvement. Cheques and money in circulation are not considered when determining creditworthiness risks. This is based on a system of limits laid down in the Treasury guidelines, which are based mainly on the ratings of international rating agencies, developments of credit default swaps or internal credit assessments. An individual limit is allocated to every counterparty of CECONOMY; compliance is constantly monitored.

The following table shows a breakdown of counterparties by rating class:

**Rating classes**

| Grade | Moody's | Standard & Poor's | Volume in % Financial investments Total |
|---|---|---|---|
| Investment grade | Aaa | AAA | 0.0 |
| | Aa1 to Aa3 | AA+ to AA- | 2.6 |
| | A1 to A3 | A+ to A– | 19.1 |
| | Baa1 to Baa3 | BBB+ to BBB– | 67.4 |
| Non-investment grade | Ba1 to Ba3 | BB+ to BB– | 10.3 |
| | B1 to B3 | B+ to B– | 0.0 |
| | Caa to C | CCC to C | 0.5 |
| No rating | | | 0.1 |

The above table shows that, as at the closing date, about 89 per cent of the capital investment volume, including the positive market value of derivatives, had been placed with investment-grade counterparties, in other words, those with good or very good credit ratings. The counterparties that do not yet have an internationally accepted rating are respected financial institutions whose creditworthiness can be considered flawless based on analyses. CECONOMY also operates in countries where local financial institutions do not have investment-grade ratings due to the rating of their country. For country-specific reasons as well as cost and efficiency considerations, cooperation with these institutions is necessary and expedient. These institutions account for about 11 per cent of the total volume.

CECONOMY's level of exposure to creditworthiness risks is thus very low.

### Cash flow risks

A future change in interest rates may cause cash flow from variable interest rate asset and liability items to fluctuate. So-called "stress tests" are used to determine the potential impact interest rate changes may have on cash flow and how they can be capped through hedging transactions in accordance with the Group's internal Treasury guidelines.

## 45. CONTINGENT LIABILITIES

CECONOMY has no contingent liabilities for the 2016/17 financial year of (2015/16: €69 million from discontinued operations).

## 46. OTHER FINANCIAL LIABILITIES

The nominal value of other financial obligations as of 30 September 2017 was €160 million (30/09/2016: €461 million, of which €309 million from discontinued operations) and primarily include acceptance obligations for service agreements.

A legal contingent liability results from the demerger of the METRO GROUP generating a five or ten-year liability obligation under Section 133 (1) and (3) German Transformation Act [Umwandlungsgesetz, UmwG]. The legal entities involved in the demerger shall be indemnified for the liabilities (five years) and the pension obligation (ten years) at CECONOMY AG as transferring legal entities, which were founded prior to the demerger and act as the joint and several debtors. CECONOMY AG estimates the risk of any claims from this liability relationship as very low.

↗ For more information about contractual commitments for the acquisition of other intangible assets and property, plant and equipment, obligations from finance and operating leases as well as investment properties, see notes No. 19 – Other intangible assets, No. 20 – Property, plant and equipment and no. 22 – investment properties.

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## 47. REMAINING LEGAL ISSUES

**Legal disputes related to Media-Saturn-Holding GmbH**

Through its fully owned subsidiary CECONOMY Retail GmbH (CE Retail) – which was METRO Kaufhaus und Fachmarkt Holding GmbH (METRO KFH) until 19 July 2017 – CECONOMY indirectly holds 78.38 per cent of the shares in Media-Saturn-Holding GmbH (MSH). In March 2011, the shareholders' general meeting of MSH resolved, with the votes of CE Retail (at that time still operating under the name METRO KFH), to create an advisory board ("Beirat") to strengthen the governance structures at MSH. The advisory board takes decisions by simple majority in number on operational measures proposed by the management of MSH that require approval. According to the Articles of Association of MSH, CECONOMY AG, or CE Retail, has the right to delegate one more member to the advisory board than the remaining minority shareholder, and therefore has a majority by number on the advisory board.

The appellate court dealing with the appeal of the non-controlling shareholder ruled fully in favour of CE Retail, endorsing the effective establishment of an advisory board and determining that an arbitration court was the responsible authority for all issues of authority and majority requirements of the advisory board. The arbitration court invoked by CE Retail (at that time still operating under the name METRO KFH), endorsed key aspects of CE Retail's position in its arbitral ruling of 8 August 2012: The advisory board can take decisions, through simple majority by headcount, on operational transactions proposed by the management of MSH that require approval. The arbitration finding was declared enforceable with the resolution passed by the Higher Regional Court [Oberlandesgericht, OLG] Munich on 18 December 2013. The German Federal Court of Justice [Bundesgerichtshof, BGH] rejected an appeal from the minority shareholder through its decision of 16 April 2015, so this decision is also final.

The minority shareholder has also filed additional complaints against MSH:

On 21 April 2015, the Ingolstadt District Court [Landgericht, LG] dismissed the complaint by the minority shareholder, who aimed to dismiss the managing director of MSH imposed by CE Retail (at that time still operating under the name of METRO KFH). The OLG Munich dismissed the appeal lodged by the minority shareholder through its decision of 2 December 2015, and did not allow a further appeal. The minority shareholder then lodged a denial of leave to appeal, which was rejected in the BGH resolution of 17 January 2017. The minority shareholder's complaint is thereby dismissed in a legally binding manner.

In another complaint against MSH lodged at the Ingolstadt LG, the minority shareholder requests that dismissive resolutions at the MSH shareholders' meeting in April 2015 – in relation to the minority shareholder's demands to have MSH's Articles of Association amended – be declared null and void, and that the corresponding resolution be positively agreed as adopted. Such modifications relate to the areas of responsibility of the shareholders' meeting. The LG Ingolstadt dismissed the complaint in its ruling on 16 February 2016. In its ruling on 13 September 2016, the OLG Munich rejected the appeal submitted by the minority shareholder. The minority shareholder's complaint is thereby dismissed in a legally binding manner by the ruling.

In its ruling of 5 April 2016, the LG Ingolstadt upheld a complaint lodged by CE Retail (at that time still operating under the name METRO KFH), involving shareholder resolutions – including those relating to a measure taken by management – that were composed by the minority shareholder alone in a shareholders' meeting that did not have a quorum under the MSH Articles of Association, and that furthermore had no competence, in METRO or CECONOMY's opinion, pertaining to the measures resolved by management. In its ruling on 13 January 2017, the OLG in Munich rejected the appeal submitted by the minority shareholder. The verdict issued in favour of CE Retail (at that time still operating under the name METRO KFH) is final.

In another complaint brought before the LG Ingolstadt , CE Retail (at that time still operating under the name of METRO KFH) seeks to have a supposed resolution of the MSH shareholders' meeting in December 2015 on the continued employment of retired MSH managers in other positions declared null and void. The ruling of LG Ingolstadt on 29 April 2016 upheld the complaint of CE Retail (at that time still operating under the

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name of METRO KFH). In its ruling on 13 January 2017, the OLG in Munich rejected the appeal lodged by the minority shareholder. The verdict issued in favour of CE Retail (at the time METRO KFH) is final.

The minority shareholder brought another complaint before the Ingolstadt LG on 28 January 2016, for annulment and for a positive declarative action against MSH, the object of which was the dismissive resolution from the MSH in December 2015 and for which the minority shareholder demanded the dismissal and suspension of the managing director from CE Retail (at the time METRO KFH) appointed by MSH. The LG Ingolstadt dismissed the minority shareholder's complaint in its ruling on 7 March 2017. The minority shareholder appealed against the ruling on 15 March 2017. In its ruling of 13 October 2017, the OLG in Munich announced its intent to dismiss the minority shareholder's objections without hearing oral arguments, as the tribunal was of the clear opinion that the appeal had no prospect of success.

In another complaint about deficiencies in the resolution, filed on 10 February 2016 against MSH at the LG Ingolstadt , involving other dismissive resolutions of the MSH shareholder meeting in December 2015, the minority shareholder sought to enforce damages claims against MSH management for alleged breach of duty. The LG Ingolstadt dismissed the complaint in its ruling on 18 November 2016. In its ruling on 18 July 2017, the OLG in Munich rejected the minority shareholder's appeal , thus making the appeal inadmissible. The minority shareholder appealed to the BGH on 24 August 2017 to have the inadmissibility of the appeal declared null and void. CECONOMY sees the likelihood of the minority shareholder's suit succeeding as low.

**Litigation pertaining to the CECONOMY AG Annual General Meeting**
On 6 February 2017 the Annual General Meeting of CECONOMY (METRO AG at the time) approved the demerger agreement between CECONOMY AG, then still operating as METRO AG, and the current METRO AG, then still known as METRO Wholesale & Food Specialist AG.

In connection with the split of the former METRO GROUP, several shareholders, including the minority shareholder of MSH behind the nullity and/or declaration suits due to the resolution drafted in the Annual General Meeting of CECONOMY AG – which was METRO AG at the time – dated 6 February 2017 under agenda items 3 and 4 granting discharge of the members of the Management Board and the Supervisory Board for the 2015/16 financial year, the resolutions drafted for agenda items 9 and 10 regarding the amendment of Art. 1 of the Articles of Association (Company) as well as other amendments to the Articles of Association and because of the resolution drafted under Agenda item 11 regarding approval for the demerger and spin-off agreement. In addition, several shareholders filed a general declaration against CECONOMY AG and appealed to have the demerger and spin-off agreement null and void, or at least provisionally invalidated. All these suits are pending before the Düsseldorf LG. CECONOMY AG argues that all of these suits are unfounded and already partially inadmissible.

The pending suits against the resolutions approving the demerger agreement is now hindering the entry of the hive-down and spin-off in the commercial registry for CECONOMY AG (which was still incorporated as METRO AG at the time). CECONOMY (then METRO AG) thus initiated an approval procedure in compliance with the German Transformation Act [UmwG] with the OLG Düsseldorf. By order of 22 June 2017, the OLG Düsseldorf decided, after hearing oral arguments, that suits filed against the approval resolution from the Annual General Meeting may not impair the entry of the demerger and spin-off in the commercial register. The decision from the OLG Düsseldorf has the force of law.

The hive-down and spin-off of CECONOMY – which was incorporated as METRO AG at the time – was entered into the commercial register on 12 July 2017 and thus has the force of law.

Some shareholders also attempted to hinder the entry of the demerger and spin-off through entry by the court of registry responsible for CECONOMY AG and the current METRO AG, or at least delay them, and has also requested a cessation of the registration procedure. The requests were denied by the Düsseldorf Local Court [Amtsgericht, AG]. Two shareholders immediately filed a complaint with the OLG Düsseldorf against the resolutions regarding the trade registry matter for CECONOMY AG. The AG Düsseldorf failed to remedy the complaints and presented them to the AG Düsseldorf. Based on the instructions issued to the

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plaintiff from the OLG Düsseldorf, CECONOMY AG is assuming that the complaints are inadmissible and/or unfounded.

Subsequent to the Annual General Meeting on 6 February 2017 two shareholders filed a request for disclosure under Section 132 German Stock Corporation Act [AktG]. The application has since been withdrawn.

The costs are borne in compliance with the rules in the demerger agreement.

**Implementation of antitrust claims for damages**
CECONOMY companies have filed suit in a London court against companies of Mastercard. The legal challenge asserts claims for damages based on a decision by the European Commission, which found that the cross-border interbank fees imposed by Mastercard in the period 1992 to 2007 as part of its credit card system, which also impacted national interbank fees, violated European antitrust law. Traditionally, retailers' banks charge interbank fees to retailers as part of retail fees. Some of the legal claims pursued by CECONOMY AG are economically assigned to the current METRO AG. The demerger agreement regulates that claims pursued by CECONOMY AG shall be to the benefit of the METRO AG which was incorporated at the time as METRO Wholesale & Food Specialist AG.

In addition, CECONOMY companies have filed suit at a London court against the companies of Toshiba and Panasonic. The suits are used to assert damage claims based on a decision from the European Commission, which found that seven manufacturers of cathode ray tubes (CRTs) – including Toshiba and Panasonic – had fixed prices, divided up markets and customers between them and also limited their production, and thus violated European antitrust law. The CRTs were installed in televisions and computer screens that were also sold to the CECONOMY companies.

**Further remaining legal issues**
In addition, CECONOMY companies are parties to other judicial or arbitral and antitrust law proceedings in various European countries. This also includes investigations by the European Commission into redcoon GmbH, initiated with searches related to suspected anti-competitive agreements with suppliers in 2015. Insofar as the liability has been sufficiently specified, appropriate risk provisions have been formed for these proceedings.

The MediaMarktSaturn Retail Group is currently pursuing claims against the former shareholders in redcoon GmbH, which primarily stem from the seller failing to disclose tax and cartel violations within the redcoon Group to the MediaMarktSaturn Retail Group during the acquisition process.

CECONOMY is exposed to increasing regulatory trends in value added tax legislation in certain countries, particularly those associated with the fiscalisation of the cash register system and the electronic transfer of tax-relevant data.

On 3 November 2017 the Düsseldorf public prosecutor searched the offices of the current METRO AG. The search was conducted under suspicion of violations of the German Securities Trading Act [WpHG] by former and current board members of the former METRO AG (now CECONOMY AG). The Düsseldorf prosecutor's investigations are based on the suspicion that the former METRO AG should have released the ad hoc notification of 30 March 2016 on the splitting of the former METRO AG at an earlier date. We are of the opinion that the allocation of the former METRO GROUP was in compliance with the legal regulations and assume the current investigations – in which we are fully cooperating with the authorities – and will be seen upon presentation of the findings.

## 48. EVENTS AFTER THE CLOSING DATE

Between the closing date (30 September 2017) and the date of presentation of the accounts (29 November 2017), no event of material importance to an assessment of the net assets, financial position or results of operations of CECONOMY AG and CECONOMY occurred.

## 49. NOTES ON RELATED PARTIES

**The following companies with material influence**
CECONOMY AG is the parent company of CECONOMY and is not controlled by any company. The Haniel Group has a material influence on

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CECONOMY AG, which is recognised as an associate in the Haniel consolidated financial report.

In the 2016/17 financial year the continuing operations at CECONOMY had no material business relationship with the Haniel Group (2015/16: €1 million) with the exception of consideration valued at €6.75 million, which was assigned to discontinued operations in the profit or loss for the period. Liabilities carried forward from considerations received in the previous year were €0 million in the 2016/17 financial year (2016/16: €1 million from discontinued operations).

Business relations with related parties are based on contractual agreements providing for arm's length prices.

**Members of management in key jobs**
The management in key positions at CECONOMY includes the Management Board and Supervisory Board of CECONOMY AG. Other than their remuneration, no further considerations were granted between CECONOMY and the management in key positions.

↗ For more information about the basic principles of the remuneration system and the amount of Management and Supervisory Board compensation, see notes No. 51 – Management Board and Supervisory Board.

**Other transactions involving affiliated companies and persons**
No transactions with affiliated companies and persons other than those listed above in the continuing operations at CECONOMY took place in the 2016/17, and none in the previous year either. In the current financial year services of €74 million for associated companies were recognised from discontinued operations in the profit or loss for the period.

## 50. LONG-TERM INCENTIVE FOR EXECUTIVES

**Long-term incentives at CECONOMY AG**

Sustainable Performance Plan Version 2014 (2014/15–2016/17)
After the first tranche of the Sustainable Performance Plan (hereinafter: SPP) was issued, an adjustment to the SPP from the 2014/15 financial year was decided: the SPP Version 2014 with an original plan period of four tranches until the following financial year 2017/18. For the 2014/15 tranche of the SPP Version 2014, a three-year performance period applied; from tranche 2015/16 a four-year performance period. With the demerger on 12 July 2017, however the SPP ends early with the 2016/17 financial year.

A target value in euros was set for those eligible. The payout amount was calculated by multiplying the target value by the factor of overall target achievement. This, in turn, was calculated by determining the target achievement factors, each of which is rounded to two decimal points, for each of the three performance targets. The arithmetic mean of the factors, also rounded to two decimal points, gave the overall target achievement factor. The payout amount was limited to a maximum of 250 per cent of the target value (payout cap). Separate rules for the payout of the tranches were agreed upon for the case of employment termination.

The SPP Version 2014 was based on the following three performance targets:

– Total shareholder return (TSR),

– Sustainability, and

– Earnings per share (EPS).

The relative development of the total shareholder return of the former METRO share, compared to a defined comparative index in the performance period, determined the target attainment of the TSR components. To calculate the target achievement factor of the TSR component, the Xetra closing prices of the former METRO ordinary share were determined over a period of 40 trading days immediately following the ordinary Annual General Meeting of the former METRO AG in the year of granting. This was used to calculate the arithmetic mean, which is known as the starting share price.

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The performance period for the respective tranche began on the 41st trading day following the Annual General Meeting. Once again, the Xetra closing prices of the METRO ordinary share are determined over a period of 40 consecutive trading days immediately following the Annual General Meeting after calculating the starting share price and issuing the applicable tranche. This was used again to calculate the arithmetic mean, which is known as the ending share price. The TSR percentage value was determined on the basis of the change in the METRO share price and the total amount of hypothetically reinvested dividends throughout the performance period in relation to the starting and ending share prices.

The METRO TSR calculated in this manner was compared with the TSR of the Stoxx Europe 600 Retail index (index TSR) during the performance period, and the factor for computing the TSR component determined in this way:

- If the former METRO's TSR was identical to the index TSR, the factor for the TSR component was 1.0;
- If the former METRO's TSR was 30 percentage points or more below the index TSR, the factor for the TSR component was 0.0;
- If the former METRO's TSR was 30 percentage points above the index TSR, the factor for the TSR component was 2.0.

In the case of target achievement with intermediate values and more than 30 percentage points, the TSR factor for the SSP Version 2014 is calculated using linear interpolation to two decimal points.

For the determination of the target achievement factor of the sustainability component, CECONOMY AG – at the time still operating as METRO AG in its function as a holding of the former METRO GROUP – participated every year in the Corporate Sustainability Assessment, which was conducted by the external service provider RobecoSam AG. RobecoSAM AG used this assessment to determine the ranking of the former METRO AG within the industry group Food and Staples Retailing defined in accordance with the Global Industry Classification Standard (GICS). S&P Dow Jones Indices uses this ranking as the basis for decisions regarding a company's inclusion in the Dow Jones Sustainability Indices (DJSI). The former METRO AG is informed each year by RobecoSam AG of its new ranking. The Company's average ranking per tranche – rounded to whole numbers – was determined on the basis of the rankings communicated by RobecoSam AG. The factor for the sustainability component was determined on the basis of the average ranking during the performance period.

The target achievement factor for the EPS component, which was introduced for the first time in the SPP Version 2014, was calculated as follows: Generally, an EPS target value (before special items) for the third or fourth year of the EPS performance period, a lower threshold/entry barrier as well as an upper threshold for 200 per cent target achievement were decided at the beginning of the financial year. The EPS value actually achieved during the performance period was compared to the approved values and the factor for calculating the EPS component is determined as follows:

- If the EPS target value was achieved, the factor for the EPS component was 1.0;
- If only the lower entry barrier or a value lower than it was achieved, the factor for the EPS component was 0.0;
- In the event of 200 per cent target achievement, the factor for the EPS component was 2.0;
- In the case of target achievement with intermediate values and more than 200 per cent, the EPS factor for the SPP Version 2014 was calculated using linear interpolation to two decimal points.

The demerger on 12 July 2017 makes the final performance measurement of the SPP Version 2014 impossible based on the pre-determined performance targets. An external expert therefore determined the cash value of the relevant tranches in accordance with a recognised actuarial method on the day of the demerger and paid them out accordingly to those eligible. Those parts of the target values that had not yet vested

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were transferred to an "LTI-Roll over". A ROCE performance target was set for the 2014/15 tranche; this portion will mature at the end of the original performance period in April 2019. An EPS performance target was set for the 2015/16 tranche and the performance period was reduced by one year to April 2019 when it will mature.

The total payout amount for both tranches in financial year 2016/17 for the seven eligible people at CECONOMY AG was € 409,818.25.

| Instalment | Payout in 2016/17 | Roll-over target amount |
|---|---|---|
| 2014/15 | € 255,323.50 | € 51,642.35 |
| **2015/16** | **€ 154,494.75** | **€ 207,802.87** |

The current tranches of the share-based payment programmes resulted in expenses of €6 million in this financial year (2015/16: €28 million) in the financial year, made up nearly exclusively of the discontinued operations.

The provisions relating to the programmes as at 30 September 2017 amount to €0.05 million (30/09/2016: €0.34 million). Thereof €0.02 million relates to the 2014/15 instalment (30/09/2016: €0.26 million) and €0.03 million to the 2015/16 instalment (30/09/2016: €0.08 million).

**Long-term incentive for the discontinued operations**

The explanations below relate to the long-term incentives for the discontinued operations for the period from the start of the 2016/17 financial year until the demerger came into effect of on 12 July 2017.

Entitlement for the wholesale business (MCC LTI)

The long-term incentive developed in the past financial year for the then sales line METRO Cash & Carry (MCC LTI) was designed specifically for the operating model. It was issued for the first time in the 2015/16 financial year to the senior executives and the management bodies of the METRO Cash & Carry (MCC) companies. This is a cyclical plan that is issued once every three years. The respective performance targets focus primarily on value creation in the individual national subsidiaries or for the wholesale segment overall, as well as their sustained development and prospects to measure their success. The performance period of the MCC LTI runs from 1 April 2016 to 31 March 2019. Over this period, the individual target amounts are designed proportionally. The final target amount accumulated at the end of the performance period is based on the period of eligibility for the MCC LTI, as well as on the individual's position. According to the terms of the plan, senior managers can be included pro rata temporis in the group of eligible managers, or can leave the plan.

Entitlement for the food retail segment (Real LTI)

The Real long-term incentive (Real LTI) was developed during this financial year for the food retail segment. Top management and management bodies of the food retail business area were eligible. Its performance period started on 1 April 2017 and ends on 31 March 2020. It also replaces the further eligibility for the SPP 2.0. The way it works is based on MCC LTI, and is described below.

How MCC and Real LTI work

After the end of the relevant performance period, the payout amount is determined by multiplying the respectively accumulated individual target amount by a total target achievement factor. The target achievement rate of this factor for the past performance and future value components accounts for 45 per cent each; the remaining 10 per cent are accounted for by the target achievement rate of the sustainability component. The payout amount is capped and the total target achievement factor cannot drop below zero.

The relevant measure for the past performance and future value components for eligible executives at the MCC national subsidiaries is the performance/value creation of the relevant MCC national subsidiary. The relevant measure for the other eligible executives is the overall performance of the relevant former MCC or Real sales lines.

The past performance component rewards the achievement of internal commercial target values, and is determined on the basis of the internal metric EBITDA after special items, generated cumulatively over financial years 2015/16 to 2017/18 for MCC or 2016/17 to 2018/19 for Real.

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Separate target values have been defined for target achievement factors of 1.0 and 0.0, respectively. In the case of intermediate values and values above 1.0, the factor for target achievement is calculated using linear interpolation to two decimal points. The target achievement factor for the past performance component cannot drop below zero and is capped.

The future value component reflects the external valuation of MCC and Real respectively, in relation to the expected future performance of the respective national subsidiary and the respective former sales line as a whole from an analyst's perspective. To set the targets, the enterprise value of the relevant sales line was determined on the basis of analyst valuations before the start of the performance period. It is determined again at the end of each performance period. The enterprise value of the MCC national subsidiaries is derived from the enterprise values of the former MCC sales line. Separate target values have been defined for target achievement factors of 1.0 and 0.0, respectively. In the case of intermediate values and values above 1.0, the factor for target achievement is calculated using linear interpolation to two decimal points. The target achievement factor for the future value component cannot drop below zero and is capped.

The performance target achievement for the sustainability component is determined by the average ranking achieved by CECONOMY AG (still trading as METRO AG acting as the holding company of the former METRO GROUP) during the respective performance period in an externally conducted Corporate Sustainability Assessment. The former METRO AG participated in the Corporate Sustainability Assessment conducted by the independent service provider RobecoSam AG every year of the performance periods. RobecoSam AG used these assessments to determine the ranking of the former METRO AG within the industry group "Food & Staples Retailing" defined in accordance with the Global Industry Classification Standard (GICS). RobecoSam AG will inform the former METRO AG of any changes in its sector classification. In the event of material changes in the composition of the companies or the ranking method, RobecoSam AG can determine adequate comparable values.

The Company's average ranking, rounded up to whole numbers, was determined on the basis of the rankings communicated during the respective performance period. The factor for the sustainability component was determined in the following manner on the basis of the average over the performance period:

| Average ranking (rounded) | Sustainability factor |
|---|---|
| 1 | 3.00 |
| 2 | 2.50 |
| 3 | 2.00 |
| 4 | 1.50 |
| 5 | 1.25 |
| 6 | 1.00 |
| 7 | 0.75 |
| 8 | 0.50 |
| 9 | 0.25 |
| Below 9 | 0.00 |

As at closing date, none of the senior managers at CECONOMY AG qualified for payments from MCC LTI or Real LTI.

Sustainable Performance Plan (2013/14)
After the last tranche of the Performance Share Plan was paid in the short financial year 2013, the first tranche of the Sustainable Performance Plan (hereinafter: SPP) was issued in financial year 2013/14.

A target value in euros was set for the eligible managers. This depends for 75 per cent on the TSR component and for 25 per cent on the sustainability component.

The calculation of the TSR component follows the method described for the SPP Version 2014; however, the factor for the TSR component is a maximum of 3.0 (cap). Furthermore, the following additional condition applies assuming the TSR factor is positive: a payment of 75 per cent of the target amount multiplied by the TSR factor will be made, only if the calculated final price of the former METRO share does not fall below the initial share price. Should this condition not be met, the calculated amount will not initially be paid. In this case, an entitlement to payment will exist only if the Xetra closing price of the former METRO ordinary

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share is higher than or equal to the initial share price for 40 consecutive trading days within a three-year period from the end of the performance period. Should this condition not be met within the three years after the performance period ends, no payment will be made of the TSR component of the tranche.

Similarly, the method described for the SPP Version 2014 also applies to the calculation of the factor for the sustainability component, with the factor for the sustainability component depending on the average ranking during the performance period.

The following additional condition will also apply: A payment of 25 per cent of the target amount multiplied by the sustainability factor will be made only if the ranking of the former METRO AG does not fall by more than two places below the last published ranking before the issuance of the tranche in any year of the performance period. Otherwise, the factor for the sustainability component will be zero. The payment cap for the sustainability component amounts to three times the target amount.

The sustainability component was paid as normal to those eligible under the plan conditions following the end of the performance period on 3 April 2017. As the additional payout condition for the TSR components was not achieved, this part was not yet due for payment. Due to the demerger on 12 July 2017, however, no final measurement of achievement of the TSR components based on the defined criteria was now possible. An external assessor applied a recognised financial process to calculate the cash value of the TSR components on the date of the demerger, and it was paid out to those eligible on this basis.

In financial year 2016/17, none of the CECONOMY AG management team was eligible for payments under the SPP.

Performance Share Plan (2009–2013)

In 2009, the former METRO AG introduced a Performance Share Plan for a period of five years for which the last tranche was issued in the short financial year 2013. Under this scheme, eligible managers were given an individual target amount for the Performance Share Plan (target value) reflecting the significance of their responsibilities. The target number of performance shares was calculated by dividing this target value by the share price upon grant, based on the average price of the METRO share during the three months up to the granting date. The key metric in this calculation was the three-month average price of the former METRO share before the grant date. A performance share entitles its holder to a cash payment in euros equivalent to the price of the former METRO share on the payment date. The key metric in this calculation is also the three-month average price of the former METRO share before the payment date.

Based on the relative performance of the former METRO share compared with the median of the DAX 30 and Euro Stoxx Retail indices – total return – the final number of performance payable shares is determined after the end of a performance period of at least three and at most 4.25 years. It corresponds to the target number of shares when an equal performance with these stock indices is achieved. Up to an outperformance of 60 per cent, the number increases linearly to a maximum of 200 per cent of the target amount. Up to an underperformance of 30 per cent, this is accordingly reduced to a minimum of 50 per cent. In the case of an underperformance of more than 30 per cent, the number is reduced to zero.

Payment can be made at six possible times, which are set in advance. The earliest payment date is three years after granting of the performance shares. From this time, payment can be made every three months. The eligible managers can choose the date upon which they wish to exercise performance shares. Distribution over several payment dates is not permitted. The payment cap amounts to five times the target value.

METRO GROUP introduced Share Ownership Guidelines along with its Performance Share Plan: as a prerequisite for payments of performance shares, eligible executives are obliged to undertake continuous self-financed investment in the former METRO shares up to the end of the three-year vesting period. This ensures that, as shareholders, they will directly participate in share price gains as well as potential losses of the former METRO share. The required investment volume generally amounts to approximately 50 per cent of the individual target value.

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The exercise period for the 2013 tranche ended in July 2017. None of the senior managers at CECONONY AG were was entitled to payments from the Performance Share Plan in financial year 2016/17. The Performance Share Plan duly ended on 1 July 2017 and there are no further claims under the plan.

## 51. MANAGEMENT BOARD AND SUPERVISORY BOARD

**Compensation of members of the Management Board in financial year 2016/17**
Remuneration of the active members of the Management Board essentially consists of a fixed salary, short-term performance-based remuneration (short-term incentive and special bonuses), and the share-based payments (long-term incentive) granted in financial year 2016/17.

The short-term incentive for members of the Management Board essentially depends on the development of the key performance metrics EBIT and like-for-like sales growth and also considers the attainment of individually set targets.

The remuneration of the active Management Board members in financial year 2016/17 amounted to €10.1 million (2015/16: €19.8 million). Of this, €4.4 million (2015/16: €4.6 million) is basic salaries, €3.4 million (2015/16: €4.7 million) relates to short-term performance-based remuneration, €2.2 million (2015/16: €10.1 million) depends on performance with long-term incentives, and €0.1 million (2015/16: €0.3 million) is other emoluments.

Performance-based remuneration with a long-term incentive effect granted in financial year 2016/17 (Performance Share Plan) is shown at fair value as of the date granted. In financial year 2016/17, value changes resulted from the current tranches of performance-based payment programmes with a long-term incentive effect. The Company's expenses amounted to €1.8 million for Mr Frese, €1.8 million for Mr Haas, €0.1 million for Dr Haag Molkenteller, €2.1 million for Mr Koch, €0.3 million for Mr Boone and €1.5 million for Mr Hutmacher.

The target amount of the 2016/17 instalment for the members of the Management Board totals €2.9 million.

In addition, the members of the Management Board have been granted a company pension scheme in the form of a direct commitment with a defined contribution and a defined benefit component.

The contribution-based component is financed jointly by the Management Board and the Company. If the member of the Management Board contributes 7 per cent of his or her defined assessment base, the Company adds a double contribution.

Other remuneration consists of non-cash benefits.

**Total compensation of former members of the Management Board**
In financial year 2016/17 former members of the Management Boards of CECONOMY AG (former METRO AG) and the companies that were merged into CECONOMY AG (former METRO AG), as well as their surviving dependants, received €3.4 million (2015/16: €3.4 million). The present value of provisions for current pensions and future pension entitlements under IFRS amounts to €47.6 million (30/09/2016: € 53.2 million). The present value of provisions for current pensions and future pension entitlements under the German Commercial Code (HGB) amounts to €38.8 million (30/09/2016: €40.4 million).

↗ The information released under Section 314 (1) No. 6 a indents 5 to 8 of the German Commercial Code (HGB) can be found in the combined management and remunerations report.

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**Compensation of members of the Supervisory Board**

The total remuneration of all members of the Supervisory Board in financial year 2016/17 amounted to €2.3 million (2015/16: €2 million).

For more information about the remuneration of the members of the Supervisory Board, see the combined management and remunerations report.

## 52. FEES FOR THE AUDITORS OF THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR UNDER SECTION 314 (1) NO.9 HGB

The following fees related to the services rendered by the auditor KPMG AG Wirtschaftsprüfungsgesellschaft were calculated.

| € million | 2016/17 |
|---|---|
| Audit | 7 |
| from discontinued operations | (1) |
| Other assurance and audit-related services | 4 |
| from discontinued operations | (3) |
| Tax consultation services | 1 |
| from discontinued operations | (0) |
| Other services | 1 |
| from discontinued operations | (1) |
| **Auditor's fees** | **14** |
| **from discontinued operations** | **(5)** |

Only services that are compatible with the task of the auditor of the annual financial statements and consolidated financial statements of CECONOMY AG were provided.

The fee for services related to the annual financial reports from KPMG AG Wirtschaftsprüfungsgesellschaft covers the audit of the consolidated financial accounts and the annual financial statements, as well as various annual audits and the audit of IFRS Reporting Packages for the inclusion of the subsidiaries in the CECONOMY consolidated financial statements, including statutory extensions of scope. Audit-related analytical reviews of interim reports, performance in relation to enforcement procedures and project-related IT audits are also carried out.

Other confirmation services includes as part of the services related to the demerger of CECONOMY (issuing a comfort letter, audit and analytical review of the combined financial reports of the MWFS Group and CECONOMY, initial audit, post-creation audit, audit of contributions in kind and certifications of values). In addition, the other confirmation services include audit activities (for example, sales-based rental agreements, compliance certificates, comfort letter), as well as the audit of selected operational processes under ISAE 3000.

Tax consultancy services relate to support services in the preparation of tax returns and VAT registration applications, consultancy services in connection with the settlement processes for the transfer pricing system, value added tax, and services in connection with international employee secondments. They also include consultancy services relating to corporate transactions and restructuring, which were restricted to the analysis of the facts and description of the available options.

Other services relate to fees for project management support in the context of the demerger as well as in the context of other change management processes (but without management function). In addition, it includes financial due diligences, support in the area of sustainability, and quality assurance activities for planning processes.

## 53. DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

During financial year 2016/17 the Management and Supervisory Boards of CECONOMY AG have addressed in depth the corporate governance of CECONOMY AG, and in September 2017, issued their statement of compliance, as required by Section 161 (1) AktG, with the recommendations of the Government Commission for a German Corporate Governance Code. This statement has been made permanently publicly available on the website www.ceconomy.de under the heading of Company – Corporate Governance.

The declaration is published in full in the corporate governance report for 2016/17.

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## 54. ELECTION TO BE EXEMPT FROM SECTION 264 (3) AND SECTION 264 B OF THE GERMAN COMMERCIAL CODE

The following domestic subsidiaries in the legal form of stock corporations or commercial partnerships will use the exemption provisions under Section 264 (3) and Section 264b of the German Commercial Code, and will thus refrain from preparing their annual financial statements for 2016/17 as well as mostly from preparing their notes and management report (in accordance with the German Commercial Code).

| Operating companies and service entities | |
|---|---|
| CECONOMY Data GmbH | Düsseldorf |
| CECONOMY Digital GmbH | Düsseldorf |
| CECONOMY Dreizehnte Gesellschaft für Vermögensverwaltung mbH | Ingolstadt |
| CECONOMY Invest GmbH | Düsseldorf |
| CECONOMY Retail GmbH | Düsseldorf |
| CECONOMY Retail International GmbH | Düsseldorf |
| MWFS Zwischenholding GmbH & Co. KG | Düsseldorf |
| METRO PROPERTIES Management GmbH | Düsseldorf |

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## 55. OVERVIEW OF THE MAJOR FULLY CONSOLIDATED GROUP COMPANIES

| Name | Country | Head office | 30/09/2016 Share in % | 30/09/2017 Share in % |
|---|---|---|---|---|
| CECONOMY AG | Germany | Düsseldorf | | |
| Media-Saturn-Holding GmbH | Germany | Ingolstadt | 78.4 | 78.4 |
| Media-Saturn Deutschland GmbH | Germany | Ingolstadt | 100.0 | 100.0 |
| Media-Saturn Helvetia Holding GmbH[1] | Germany | Ingolstadt | 100.0 | 100.0 |
| Redcoon GmbH | Germany | Aschaffenburg | 100.0 | 100.0 |
| Media - Saturn Beteiligungsges.m.b.H. | Austria | Vösendorf | 100.0 | 100.0 |
| Media Markt Saturn Holding Magyarország Kft. | Hungary | Budapest | 100.0 | 100.0 |
| Media Markt Saturn Holding Nederland B.V. | Netherlands | Rotterdam | 100.0 | 100.0 |
| MEDIA MARKT SATURN, S.A. UNIPERSONAL | Spain | El Prat de Llobregat | 100.0 | 100.0 |
| MEDIA MARKT TURKEY TICARET LIMITED SIRKETI | Turkey | Istanbul | 100.0 | 100.0 |
| MEDIA MARKT-SATURN BELGIUM NV | Belgium | Asse-Zellik | 100.0 | 100.0 |
| Media Saturn Electronics Hellas Commercial and Holding Anonymi Eteria | Greece | Maroussi | 100.0 | 100.0 |
| Media Saturn Holding Polska Sp. z o.o. | Poland | Warsaw | 100.0 | 100.0 |
| Mediamarket S.p.A.con Socio Unico | Italy | Curno | 100.0 | 100.0 |
| MEDIA-SATURN (PORTUGAL), SGPS, UNIPESSOAL LDA | Portugal | Lisbon | 100.0 | 100.0 |
| Media-Saturn Holding Sweden AB | Sweden | Stockholm | 100.0 | 100.0 |
| Saturn Luxembourg S.A. | Luxembourg | Luxembourg | 100.0 | 100.0 |
| OOO Media-Saturn-Russland | Russia | Moscow | 100.0 | 100.0 |

[1] Holding company for the Swiss MediaMarkt companies

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# 56. Boards of CECONOMY AG and their mandates

## Members of the Supervisory Board[1]

**Jürgen Fitschen** (Chair from 25 July 2017)
Senior Advisor Deutsche Bank AG
a) None
b) Kühne + Nagel International AG, Schindellegi, Switzerland
Kommanditgesellschaft CURA Vermögensverwaltung GmbH & Co. KG, Hamburg (from 16 November 2016)

**Jürgen Schulz** (Vice-Chair from 25 July 2017)
Head of Service, Saturn Bielefeld
Chair of the Works Council, Saturn Bielefeld
a) None
b) None

**Jürgen B. Steinemann** (Chair from 12 July 2017)
Chair of the Supervisory Board of METRO AG
a) Big Dutchman AG, Vechta-Calveslage
Ewald Dörken AG, Herdecke (until 6 August 2017)
b) Barry Callebaut AG, Zurich, Switzerland
Bankiva B.V. (Plukon Food Group), Haren, Netherlands (from 16 February 2017)
Lonza Group AG, Basel, Switzerland

**Werner Klockhaus** (Vice-Chair until 12 July 2017)
Chair of the Group Works Council of METRO AG
Chair of the General Works Council of real, – SB-Warenhaus GmbH
a) real,- SB-Warenhaus GmbH, Mönchengladbach
Hamburger Pensionskasse von 1905 Versicherungsverein auf Gegenseitigkeit
b) None

[1] Status of the mandates: 29 November 2017
a) Membership of other statutory supervisory boards as defined in Section 125 (1) sentence 5, 1st alternative AktG
b) Member of comparable German and international supervisory boards of business enterprises in accordance with Section 125 (1) sentence 5, 2nd alternative AktG

**Prof Dr oec and Dr iur Ann-Kristin Achleitner** (until 6 February 2017)
Holder of the Professorship for Entrepreneurial Finance and Scientific Co-Director of the Center for Entrepreneurial and Financial Studies (CEFS) at the Munich University of Technology
a) Deutsche Börse AG, Frankfurt am Main (from 11 May 2016)
Linde AG, Munich
Münchener Rückversicherungs-Gesellschaft AG, Munich
b) Engie SA, Paris, France

**Gwyn Burr** (until 12 July 2017)
Member of the Board of Directors of Hammerson plc, London, UK
a) None
b) DFS Furniture plc, Doncaster, South Yorkshire, UK
Hammerson plc, London, UK
Just Eat plc, London, UK
Sainsbury's Bank plc, London, UK

**Karin Dohm**
Global Head of Government & Regulatory Affairs and Group Structuring Deutsche Bank AG
a) Deutsche EuroShop AG, Hamburg
DB Europe GmbH, Frankfurt am Main
b) Deutsche Bank Luxembourg S.A., Luxembourg

**Ulrich Dalibor**
Self-employed, employee representative
a) Maxingvest AG, Hamburg
b) None

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**Thomas Dommel** (until 12 July 2017)
Chair of the combined Works Council of METRO LOGISTICS Germany GmbH
a) METRO LOGISTICS Germany GmbH, Kirchheim an der Weinstrasse
b) None

**Dr Bernhard Düttmann** (from 12 July 2017)
Self-employed Business Consultant
a) Alstria Office Reit AG, Düsseldorf
b) None

**Daniela Eckardt** (from 13 July 2017)
Employee Cash desk/Information, Saturn Alexanderplatz Berlin
Vice-Chair of the Works Council at Saturn Alexanderplatz Berlin
a) None
b) None

**Stefanie Friedrich** (from 13 July 2017)
Employee Cash desk/Information, MediaMarkt Trier
Chair of the Works Council MediaMarkt Trier
a) None
b) None

**Dr Florian Funck**
Member of the Management Board of Franz Haniel & Cie. GmbH
a) METRO AG, Düsseldorf
TAKKT AG, Stuttgart
Vonovia SE, Bochum
b) None

**Andreas Herwarth** (until 12 July 2017)
Vice-Chair of the Works Council of METRO AG
a) None
b) None

**Ludwig Glosser** (from 13 July 2017)
Service Manager and Lead Problem Manager Process Management, Media-Saturn IT Services GmbH
Chair of the Works Council at Media-Saturn IT Services GmbH
Member of Euroforum and member of the Euroforum Steering Board
a) None
b) None

**Julia Goldin** (from 12 July 2017)
Executive Vice President & Chief Marketing Officer, Lego Group
a) None
b) None

**Jo Harlow** (from 12 July 2017)
Self-employed businesswoman
a) None
b) Intercontinental Hotels Group plc, Denham, UK
Halma plc, Amersham, UK
J Sainsbury's plc, London, UK

**Peter Küpfer**
Self-employed business consultant
a) METRO AG, Düsseldorf
b) AHRB AG, Zurich, Switzerland
ARH Resort Holding AG, Zurich, Switzerland
Breda Consulting AG, Zurich, Switzerland
Cambiata Ltd, Road Town (Tortola), British Virgin Islands
Cambiata Schweiz AG, Zurich, Switzerland
Gebr. Schmidt GmbH & Co. KG, Essen
Lake Zurich Fund Exempt Company, George Town (Grand Cayman), Cayman Islands
Supra Holding AG, Zug, Switzerland
Travel Charme Hotel & Resorts Holdings AG, Zurich, Switzerland

**Rainer Kuschewski**
Self-employed, employee representative
a) None
b) None

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**Susanne Meister** (until 12 July 2017)
Member of the General Works Council of real,- SB-Warenhaus GmbH
a) None
b) None

**Dr Angela Pilkman** (until 12 July 2017)
Head of Department Food real,- SB-Warenhaus GmbH
a) None
b) None

**Birgit Popp** (from 13 July 2017)
Head of Department HR, Personnel and Organisational Growth & Change Media-Saturn Deutschland GmbH
a) None
b) None

**Mattheus P.M. (Theo) de Raad** (until 12 July 2017)
Member of Supervisory Board at HAL Holding N.V.
a) None
b) HAL Holding N.V., Willemstad, Curacao, Dutch Antilles

**Dr Fredy Raas**
Managing Director of Beisheim Holding GmbH, Baar, Switzerland, and Beisheim Group GmbH & Co. KG
a) METRO AG, Düsseldorf
b) Arisco Holding AG, Baar, Switzerland
Montana Capital Partners AG, Baar, Switzerland

**Xaver Schiller** (until 12 July 2017)
Chair of the combined Works Council of METRO Cash & Carry Deutschland GmbH
Chair of the Works Council of METRO Cash & Carry Large markets, Munich-Brunnthal
a) METRO Grosshandelsgesellschaft mbH, Düsseldorf
b) None

**Dr. jur. Hans-Jürgen Schinzler**
Honorary Chair of the Supervisory Board of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in Munich
a) None
b) None

**Regine Stachelhaus** (from 6 February 2017)
Self-employed businesswoman
a) Covestro AG, Leverkusen
Covestro Deutschland AG, Leverkusen
Spie GmbH, Ratingen
Spie SAG GmbH, Essen
b) ComputaCenter plc, Hatfield, UK
Spie SA, Cergy-Pontoise, France

**Vinko Vrabec** (from 13 July 2017)
Head of Department Recording media/Software, MediaMarkt Rosenheim
Member of the Works Council, MediaMarkt Rosenheim
a) None
b) None

**Angelika Will**
Self-employed, employee representative
Honorary judge, Federal Labour Court, Erfurt
Secretary of the Regional Association Board North Rhine-Westphalia of DHV – Die Berufsgewerkschaft e. V. (federal expert group on retail trade)
a) None
b) None

**Sylvia Woelke** (from 13 July 2017)
Manager Corporate Risk Management & Internal Controls, Media-Saturn-Holding GmbH
Chairperson of the Works Council of Media-Saturn-Holding GmbH
a) None
b) None

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## Supervisory Board committees and their members

### SUPERVISORY BOARD PRESIDENTIAL COMMITTEE (FROM 25 JULY 2017)

Jürgen Fitschen (Chair from 25 July 2017)
Jürgen Schulz (Vice-Chair from 25 July 2017)
Regine Stachelhaus (from 25 July 2017)
Vinko Vrabec (from 25 July 2017)

### SUPERVISORY BOARD PRESIDENTIAL COMMITTEE (UNTIL 25 JULY 2017)

Jürgen B. Steinemann (Chair until 12 July 2017)
Werner Klockhaus (Vice-Chair until 12 July 2017)
Jürgen Fitschen (until 25 July 2017)
Xaver Schiller (until 12 July 2017)

### PERSONNEL COMMITTEE (UNTIL 25 JULY 2017)

Jürgen B. Steinemann (Chair until 12 July 2017)
Werner Klockhaus (Vice-Chair until 12 July 2017)
Jürgen Fitschen (until 25 July 2017)
Xaver Schiller (until 12 July 2017)

### AUDIT COMMITTEE (FROM 25 JULY 2017)

Dr. jur. Hans-Jürgen Schinzler (Chair from 25 July 2017)
Jürgen Schulz (Vice-Chair from 25 July 2017)
Ulrich Dalibor (from 25 July 2017)
Karin Dohm (from 25 July 2017)
Dr Florian Funck (from 25 July 2017)
Peter Küpfer (from 25 July 2017)
Rainer Kuschewski (from 25 July 2017)
Sylvia Woelke (from 25 July 2017)

### ACCOUNTS AND AUDIT COMMITTEE (UNTIL 25 JULY 2017)

Dr jur. Hans-Jürgen Schinzler (Chair until 25 July 2017)
Werner Klockhaus (Vice-Chair until 12 July 2017)
Dr Florian Funck (until 25 July 2017)
Andreas Herwarth (until 12 July 2017)
Rainer Kuschewski (until 25 July 2017)
Dr Fredy Raas (until 25 July 2017)

### NOMINATION COMMITTEE (FROM 25 JULY 2017)

Jürgen Fitschen (Chair from 25 July 2017)
Dr Bernhard Düttmann (from 25 July 2017)
Dr jur. Hans-Jürgen Schinzler (from 25 July 2017)
Regine Stachelhaus (from 25 July 2017)

### NOMINATION COMMITTEE (UNTIL 25 JULY 2017)

Jürgen B. Steinemann (Chair until 12 July 2017)
Jürgen Fitschen (until 25 July 2017)
Dr jur. Hans-Jürgen Schinzler (until 25 July 2017)

### MEDIATION COMMITTEE PURSUANT TO SECTION 27 (3) GERMAN CO DETERMINATION ACT (MITBESTG) (FROM 25 JULY 2017)

Jürgen Fitschen (Chair from 25 July 2017)
Jürgen Schulz (Vice-Chair from 25 July 2017)
Dr Bernhard Düttmann (from 25 July 2017)
Ludwig Glosser (from 25 July 2017)

### MEDIATION COMMITTEE PURSUANT TO SECTION 27 (3) GERMAN CO DETERMINATION ACT (MITBESTG) (UNTIL 25 JULY 2017)

Jürgen B. Steinemann (Chair until 12 July 2017)
Werner Klockhaus (Vice-Chair until 12 July 2017)
Xaver Schiller (until 12 July 2017)
Dr jur. Hans-Jürgen Schinzler (until 25 July 2017)

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## Members of the Management Board[1,2]

**Pieter Haas** (Chair of Management Board, Chief Executive Officer and Labour Director from 13 July 2017)
Line management responsibility especially for Media-Saturn, Strategy, Business Development, Portfolio Management, Value Creation Planning, Communications, Public Policy, Human Resources, Sustainability, Innovation, Digital, Audit and Retail Media Group
Chair of the Management Board of Media-Saturn-Holding GmbH
a) None
b) Tertia Handelsbeteiligungsgesellschaft mbH, Cologne
Silver Ocean B.V., Amsterdam, Netherlands

**Mark Frese** (Member and Chief Financial Officer)
Line management responsibility especially for Accounting, Reporting, Treasury, Investor Relations, M&A, Pensions, Organisational & IT Support, Tax and Supply Chain
a) METRO Re AG, Düsseldorf (previously METRO Reinsurance N.V.)
b) Media-Saturn-Holding GmbH, Ingolstadt – Chair of the Advisory Board
Allistro Capital Gesellschaft für Beteiligungsberatung mbH, Frankfurt am Main – Member of the Expert Advisory Board

**Dr Dieter Haag Molkenteller** (Member and Chief Legal and Compliance Officer from 13 July 2017)
Line management responsibility, in particular for Corporate Law, Corporate Office, Competition & Antitrust, Data Protection, Compliance and Risk Management, including the GRC Committee
a) None
b) Media-Saturn-Holding GmbH, Ingolstadt – Member of the Advisory Board

**Olaf Koch** (Chair of Management Board and Chief Executive Officer until 12 July 2017)
Line management responsibility for Corporate Communications, Group Strategy, Corporate M&A, Corporate Legal Affairs & Compliance, Corporate Office, Corporate Public Policy, HoReCa Digital and Business Innovation and Real
a) real,- SB-Warenhaus GmbH, Mönchengladbach – Chair
b) HoReCa Digital GmbH, Düsseldorf – Chair of Advisory Board
Media-Saturn-Holding GmbH, Ingolstadt – Chair of the Advisory Board until 16 October 2016

**Pieter C. Boone** (Member until 12 July 2017)
Line management responsibility for METRO Cash & Carry
a) None
b) None

**Heiko Hutmacher** (Member and Staff Director until 12 July 2017)
Departmental responsibility for Human Resources (HR Campus, Corporate House of Learning, Corporate Performance & Rewards, Executive Resources, Group Labour Relations & Labour Law, HR Operations, HR Processes, Analytics & Projects, Talent Management, Leadership & Change), Corporate IT Management, Group Internal Audit, Sustainability & Regulatory Affairs, METRO SYSTEMS, MGT METRO GROUP Travel Services
a) METRO Grosshandelsgesellschaft mbH, Düsseldorf
METRO SYSTEMS GmbH, Düsseldorf
real,- SB-Warenhaus GmbH, Mönchengladbach
b) None

[1] Status of departmental responsibilities as of end of financial year (30 September 2017)
[2] Status of the mandates: 29 November 2017
a) Membership of other statutory supervisory boards as defined in Section 125 (1) sentence 5, 1st alternative AktG
b) Member of comparable German and international supervisory boards of business enterprises within the meaning of Section 125 (1) sentence 5, 2nd alternative AktG

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### Consolidated subsidiaries

| Company name | Head office | Country | % capital share |
|---|---|---|---|
| 24-7 Entertainment GmbH | Berlin | Germany | 100.00 |
| Accelerate Commerce GmbH | Munich | Germany | 100.00 |
| biwigo GmbH | Munich | Germany | 100.00 |
| CECONOMY Data GmbH | Düsseldorf | Germany | 100.00 |
| CECONOMY Digital GmbH | Düsseldorf | Germany | 100.00 |
| CECONOMY Dreizehnte Gesellschaft für Vermögensverwaltungs mbH | Düsseldorf | Germany | 100.00 |
| CECONOMY Invest GmbH | Düsseldorf | Germany | 100.00 |
| CECONOMY Retail GmbH | Düsseldorf | Germany | 100.00 |
| CECONOMY Retail International GmbH | Düsseldorf | Germany | 100.00 |
| Electronic Online Services GmbH | Munich | Germany | 100.00 |
| Electronic Online Services Invest GmbH | Munich | Germany | 100.00 |
| Electronic Repair Logistics B.V. | Goes | Netherlands | 51.00 |
| Electronics Online Concepts GmbH | Munich | Germany | 100.00 |
| Hansa Foto-Handelsgesellschaft mit beschränkter Haftung | Cologne | Germany | 100.00 |
| iBOOD GmbH | Berlin | Germany | 100.00 |
| IBOOD Sp. z o. o. | Poznan | Poland | 100.00 |
| Imtron Asia Hong Kong Limited | Hong Kong | China | 100.00 |
| Imtron GmbH | Ingolstadt | Germany | 100.00 |
| Jetsam Service Management GmbH | Wolnzach | Germany | 65.00 |
| Juke Entertainment GmbH | Ingolstadt | Germany | 100.00 |
| Media - Saturn Beteiligungsges.m.b.H. | Vösendorf | Austria | 100.00 |
| MEDIA MARKT – BUDAÖRS Video TV Hifi Elektro Fotó Computer Kereskedelmi Kft. | Budaörs | Hungary | 90.00 |
| Media Markt 14 – Produtos Electronicos LdA | Lisbon | Portugal | 100.00 |
| MEDIA MARKT 3 DE MAYO SANTA CRUZ DE TENERIFE S.A. | Tenerife | Spain | 99.90 |
| MEDIA MARKT A CORUÑA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, SA | La Coruña | Spain | 99.90 |
| Media Markt Aigle SA | Aigle | Switzerland | 90.00 |
| MEDIA MARKT ALACANT VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Alicante | Spain | 99.90 |
| MEDIA MARKT ALBACETE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | Albacete | Spain | 99.90 |
| MEDIA MARKT ALCALÁ DE GUADAÍRA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | Alcalá de Guadaíra | Spain | 99.90 |

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|---|---|---|---|
| MEDIA MARKT ALCALÁ DE HENARES VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Alcalá de Henares | Spain | 99.90 |
| MEDIA MARKT ALCORCÓN VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Alcorcón | Spain | 99.90 |
| Media Markt Alexandrium B.V. | Rotterdam | Netherlands | 95.24 |
| MEDIA MARKT ALFAFAR VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Alfafar | Spain | 99.90 |
| MEDIA MARKT ALFRAGIDE – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA | Lisbon | Portugal | 100.00 |
| Media Markt Alkmaar B.V. | Alkmaar | Netherlands | 95.24 |
| Media Markt Almere B.V. | Almere | Netherlands | 95.24 |
| MEDIA MARKT ALMERIA S.A (Unipersonal) | El Prat del Llobregat Barcelona | Spain | 100.00 |
| Media Markt Alphen aan den Rijn B.V. | Alphen aan den Rijn | Netherlands | 95.24 |
| Media Markt Amersfoort B.V. | Amersfoort | Netherlands | 95.24 |
| Media Markt Amsterdam Centrum B.V. | Amsterdam | Netherlands | 100.00 |
| Media Markt Amsterdam Noord B.V. | Amsterdam | Netherlands | 100.00 |
| Media Markt Amsterdam West B.V. | Amsterdam | Netherlands | 95.24 |
| Media Markt Amstetten TV-Hifi-Elektro GmbH | Amstetten | Austria | 90.00 |
| Media Markt Apeldoorn B.V. | Apeldoorn | Netherlands | 95.24 |
| Media Markt Arena B.V. | Amsterdam | Netherlands | 95.24 |
| MEDIA MARKT ARENA Video TV Hifi Elektro Photo Computer Kereskedelmi Kft. | Budapest | Hungary | 100.00 |
| MEDIA MARKT Árkád Video TV Hifi Elektro Foto Computer Kereskedelmi Kft. | Budapest | Hungary | 100.00 |
| Media Markt Arnhem B.V. | Arnhem | Netherlands | 100.00 |
| Media Markt Assen B.V. | Assen | Netherlands | 100.00 |
| MEDIA MARKT AVEIRO – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA | CRC Lisbon | Portugal | 90.00 |
| MEDIA MARKT BADAJOZ S.A. | Badajoz | Spain | 99.90 |
| MEDIA MARKT BARAKALDO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | San Vicente de Barakaldo | Spain | 99.90 |
| MEDIA MARKT BARCELONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Barcelona | Spain | 99.90 |
| Media Markt Basel AG | Basle | Switzerland | 91.00 |
| MEDIA MARKT Basilix NV | Sint-Agatha-Berchem | Belgium | 100.00 |
| Media Markt Békéscsaba Video TV Hifi Elektro Photo Computer Kereskedelmi Kft. | Békéscsaba | Hungary | 90.00 |
| MEDIA MARKT BENFICA-PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA | Lisbon | Portugal | 100.00 |
| Media Markt Bergen op Zoom B.V. | Bergen op Zoom | Netherlands | 95.24 |
| Media Markt Biel-Brügg AG | Brügg bei Biel | Switzerland | 90.00 |

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|---|---|---|---|
| MEDIA MARKT Bilbondo Video-TV-Hifi-Elektro-Computer-Foto, SA | Biscay | Spain | 99.90 |
| Media Markt Borås TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Borlänge TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| MEDIA MARKT BRAGA – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA | CRC Lisbon | Portugal | 100.00 |
| MEDIA MARKT Braine-l'Alleud SA | Braine-l'Alleud | Belgium | 100.00 |
| Media Markt Breda B.V. | Breda | Netherlands | 97.62 |
| Media Markt Brugge NV | Bruges | Belgium | 90.00 |
| Media Markt Brussel Docks NV | Brussels | Belgium | 100.00 |
| Media Markt Bruxelles Rue Neuve Media Markt Brussel Nieuwstraat SA | Brussels | Belgium | 90.00 |
| Media Markt Bürs TV-Hifi-Elektro GmbH | Bürs | Austria | 90.00 |
| MEDIA MARKT CARTAGENA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Cartagena | Spain | 99.90 |
| MEDIA MARKT CASTELLÒ DE LA Plana VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Castellón de la Plana | Spain | 99.90 |
| Media Markt CCCI TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCII TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCIII TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCVI TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCVIII TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCXI TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCXII TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCXIII TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCXIX TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCXV TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCXVI TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCXVII TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCXVIII TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCXX TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCXXI TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCXXII TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCXXIII TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCCXXIV TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| MEDIA MARKT CCLXIV TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |

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|---|---|---|---|
| Media Markt CCLXV TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCLXXV TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCLXXXIX TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCLXXXV TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCXCII TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCXCIII TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCXCIX TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt CCXCVI TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| MEDIA MARKT CCXLIII TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| MEDIA MARKT CCXLIV TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| MEDIA MARKT Century Center NV | Antwerp | Belgium | 90.00 |
| Media Markt Chur AG | Chur | Switzerland | 90.00 |
| Media Markt CLXXIX TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| MEDIA MARKT COLLADO VILLALBA, S.A. | Collado Villalba | Spain | 99.90 |
| Media Markt Conthey SA | Conthey | Switzerland | 90.00 |
| MEDIA MARKT CORDOBA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Cordoba | Spain | 99.90 |
| MEDIA MARKT CORDOVILLA-PAMPLONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | Pamplona | Spain | 99.90 |
| Media Markt Crissier SA | Crissier | Switzerland | 90.00 |
| Media Markt Cruquius B.V. | Cruquius | Netherlands | 95.24 |
| MEDIA MARKT Debrecen Video-TV-Hifi-Elektro-Photo-Computer-Kereskedelmi Kft. | Debrecen | Hungary | 90.00 |
| Media Markt Den Bosch B.V. | Den Bosch | Netherlands | 95.24 |
| Media Markt Den Haag B.V. | The Hague | Netherlands | 97.62 |
| MEDIA MARKT Deurne NV | Antwerp | Belgium | 100.00 |
| Media Markt Deventer B.V. | Deventer | Netherlands | 100.00 |
| MEDIA MARKT DIAGONAL MAR-BARCELONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | Barcelona | Spain | 99.90 |
| MEDIA MARKT DIGITAL STORE S.A.U. | El Prat de Llobregat | Spain | 100.00 |
| Media Markt Doetinchem B.V. | Doetinchem | Netherlands | 95.24 |
| MEDIA MARKT DONOSTI VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Donosti | Spain | 99.90 |
| Media Markt Dordrecht B.V. | Dordrecht | Netherlands | 100.00 |
| Media Markt Drachten B.V. | Drachten | Netherlands | 100.00 |
| Media Markt Duiven B.V. | Duiven | Netherlands | 95.24 |

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|---|---|---|---|
| MEDIA MARKT DUNA Video TV Hifi Elektro Photo Computer Kereskedelmi Kft. | Budapest | Hungary | 100.00 |
| Media Markt E298, S.A.U. | El Prat de Llobregat | Spain | 100.00 |
| Media Markt E299, S.A.U. | El Prat de Llobregat | Spain | 100.00 |
| Media Markt E300, S.A.U. | El Prat de Llobregat | Spain | 100.00 |
| Media Markt E301, S.A.U. | El Prat de Llobregat | Spain | 100.00 |
| Media Markt E650, S.A.U. | El Prat de Llobregat | Spain | 100.00 |
| Media Markt E-Business GmbH | Ingolstadt | Germany | 100.00 |
| Media Markt E-Commerce AG | Dietikon | Switzerland | 90.00 |
| Media Markt Ede B.V. | Ede (Gld) | Netherlands | 95.24 |
| Media Markt Eindhoven Centrum B.V. | Eindhoven | Netherlands | 95.24 |
| Media Markt Eindhoven Ekkersrijt B.V. | Son en Breugel | Netherlands | 95.24 |
| MEDIA MARKT EL PRAT VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | El Prat de Llobregat Barcelona | Spain | 99.90 |
| MEDIA MARKT ELCHE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | Elche | Spain | 99.90 |
| Media Markt Emmen B.V. | Emmen | Netherlands | 95.24 |
| Media Markt Enschede B.V. | Enschede | Netherlands | 100.00 |
| Media Markt Eskilstuna TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Feldkirch TV-Hifi-Elektro GmbH | Feldkirch | Austria | 90.00 |
| MEDIA MARKT FERROL, S.A. | Ferrol | Spain | 99.90 |
| MEDIA MARKT FINESTRAT S.A. | Finestrat | Spain | 99.90 |
| MEDIA MARKT GAIA – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA | CRC Lisbon | Portugal | 90.00 |
| MEDIA MARKT GANDIA S.A. | Gandia | Spain | 99.90 |
| MEDIA MARKT GAVÀ VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | Gavà | Spain | 99.90 |
| Media Markt Gävle TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Genève SA | Geneva | Switzerland | 90.00 |
| MEDIA MARKT GETAFE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Getafe | Spain | 99.90 |
| MEDIA MARKT GIRONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Girona | Spain | 99.90 |
| Media Markt GmbH TV-HiFi-Elektro | Munich | Germany | 90.00 |
| MEDIA MARKT Gosselies/Charleroi SA | Gosselies | Belgium | 90.00 |
| Media Markt Göteborg-Bäckebol TV-Hifi-Elektro AB | Stockholm | Sweden | 90.01 |
| Media Markt Göteborg-Högsbo TV-HiFi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Göteborg-Torpavallen TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |

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|---|---|---|---|
| MEDIA MARKT GRANADA – NEVADA, S.A.U. | El Prat de Llobregat | Spain | 100.00 |
| MEDIA MARKT GRANADA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Pulianas (Granada) | Spain | 99.90 |
| Media Markt Grancia SA | Grancia | Switzerland | 90.00 |
| Media Markt Granges-Paccot AG | Granges-Paccot | Switzerland | 90.00 |
| Media Markt Graz-Liebenau TV-Hifi-Elektro GmbH | Graz | Austria | 90.00 |
| Media Markt Groningen Centrum B.V. | Groningen | Netherlands | 100.00 |
| Media Markt Groningen Sontplein B.V. | Groningen | Netherlands | 95.24 |
| MEDIA MARKT Győr Video TV Hifi Elektro Photo Computer Kereskedelmi Kft. | Győr (H) | Hungary | 100.00 |
| Media Markt Heerhugowaard B.V. | Heerhugowaard | Netherlands | 95.24 |
| Media Markt Heerlen B.V. | Heerlen | Netherlands | 95.24 |
| Media Markt Helsingborg TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Hengelo B.V. | Hengelo Ov | Netherlands | 95.24 |
| MEDIA MARKT Herstal SA | Herstal | Belgium | 90.00 |
| Media Markt Hoofddorp B.V. | Hoofddorp | Netherlands | 100.00 |
| Media Markt Hoorn B.V. | Hoorn | Netherlands | 95.24 |
| MEDIA MARKT HUELVA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, SA | Huelva | Spain | 99.90 |
| MEDIA MARKT IBERIAN SERVICES, S.A.U. | El Prat de Llobregat | Spain | 100.00 |
| Media Markt Imst TV-Hifi-Elektro GmbH | Imst | Austria | 90.00 |
| MEDIA MARKT ISLAZUL MADRID S.A.U. | Madrid | Spain | 100.00 |
| MEDIA MARKT Jemappes/Mons SA | Jemappes | Belgium | 90.00 |
| MEDIA MARKT JEREZ DE LA FRONTERA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | Jerez de la Frontera | Spain | 99.90 |
| Media Markt Jönköping TV-Hifi- Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Kalmar TV-Hifi-Elektro AB | Kalmar | Sweden | 90.01 |
| Media Markt Kecskemét Video TV Hifi Elektro Photo Computer Kereskedelmi Kft. | Kecskemét | Hungary | 100.00 |
| MEDIA MARKT KISPEST Video TV HiFi Elektro Photo Computer Kereskedelmi Kft. | Budapest | Hungary | 100.00 |
| Media Markt Kortrijk NV | Kortrijk | Belgium | 100.00 |
| Media Markt Kriens AG | Kriens | Switzerland | 90.00 |
| Media Markt Kristianstad TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| MEDIA MARKT L'HOSPITALET VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | L'Hospitalet | Spain | 99.90 |
| MEDIA MARKT LAS ARENAS S.A. | Las Palmas de Gran Canaria | Spain | 99.90 |
| MEDIA MARKT ALCALÁ DE HENARES VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Las Palmas de Gran Canaria | Spain | 99.90 |

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|---|---|---|---|
| Media Markt Leeuwarden B.V. | Leeuwarden | Netherlands | 95.24 |
| MEDIA MARKT LEGANES VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Leganes | Spain | 99.90 |
| MEDIA MARKT LEIRIA – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA | CRC Lisbon | Portugal | 100.00 |
| Media Markt Leoben TV-Hifi-Elektro GmbH | Leoben | Austria | 90.00 |
| MEDIA MARKT LEÓN VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | León | Spain | 99.90 |
| Media Markt Liège Médiacité SA | Liège | Belgium | 100.00 |
| MEDIA MARKT Liège Place Saint-Lambert SA | Liège | Belgium | 90.00 |
| Media Markt Liezen TV-Hifi-Elektro GmbH | Liezen | Austria | 90.00 |
| Media Markt Linköping TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Linz TV-Hifi-Elektro GmbH | Linz | Austria | 90.00 |
| MEDIA MARKT LLEIDA, SA | Lleida | Spain | 99.90 |
| Media Markt Logistics AG | Dietikon | Switzerland | 100.00 |
| MEDIA MARKT LOGROÑO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Logroño | Spain | 99.90 |
| MEDIA MARKT LORCA S.A. | Lorca, Murcia | Spain | 99.90 |
| MEDIA MARKT LOS BARRIOS VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Barrios Cadiz | Spain | 99.90 |
| MEDIA MARKT LUGO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, SA | Lugo | Spain | 99.90 |
| Media Markt Luleå TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Lund TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Maastricht B.V. | Maastricht | Netherlands | 95.24 |
| MEDIA MARKT Machelen NV | Machelen | Belgium | 100.00 |
| MEDIA MARKT MADRID – PLAZA DEL CARMEN S. A. U. | El Prat de Llobregat | Spain | 100.00 |
| MEDIA MARKT MADRID BENLLIURE SA | Madrid | Spain | 99.90 |
| MEDIA MARKT MADRID CASTELLANA SA | Madrid | Spain | 99.90 |
| MEDIA MARKT MADRID PLENILUNIO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | Madrid | Spain | 99.90 |
| MEDIA MARKT MADRID VALLECAS S.A (Unipersonal) | El Prat de Llobregat | Spain | 100.00 |
| MEDIA MARKT MADRID-VILLAVERDE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Madrid-Villaverde | Spain | 99.90 |
| MEDIA MARKT Majadahonda Video-TV-HiFi-Elektro-Computer-Foto, S.A. | Majadahonda | Spain | 99.90 |
| MEDIA MARKT MÁLAGA – PLAZA MAYOR S.A. | El Prat de Llobregat | Spain | 99.90 |
| MEDIA MARKT MALAGA-CENTRO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, SA | Malaga | Spain | 99.90 |
| Media Markt Malmö-Bernstorp TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Malmö-Svågertorp TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |

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| Company name | Head office | Country | % capital share |
|---|---|---|---|
| MEDIA MARKT MAMMUT Video TV Hifi Elektro Photo Computer Kereskedelmi Kft. | Budapest (H) | Hungary | 90.00 |
| Media Markt Management AG | Dietikon | Switzerland | 100.00 |
| Media Markt Marin SA | La Tène | Switzerland | 90.00 |
| Media Markt Marketing GmbH | Munich | Germany | 100.00 |
| MEDIA MARKT MASSALFASSAR S.A. | Valencia | Spain | 99.90 |
| MEDIA MARKT MATARO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Mataró | Spain | 99.90 |
| MEDIA MARKT MATOSINHOS PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA | Lisbon | Portugal | 100.00 |
| MEDIA MARKT Megapark Video TV Hifi Elektro Photo Computer Kereskedelmi Kft. | Budapest | Hungary | 100.00 |
| Media Markt Meyrin SA | Meyrin | Switzerland | 90.00 |
| Media Markt Middelburg B.V. | Middelburg | Netherlands | 95.24 |
| MEDIA MARKT Miskolc Video TV Hifi Elektro Photo Computer Kereskedelmit Kft | Miskolc | Hungary | 100.00 |
| MEDIA MARKT MURCIA NUEVA CONDOMINA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | Murcia | Spain | 99.90 |
| MEDIA MARKT MURCIA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | Murcia | Spain | 99.90 |
| MEDIA MARKT NASCENTE – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA | CRC Lisbon | Portugal | 90.00 |
| Media Markt Nieuwegein B.V. | Nieuwegein | Netherlands | 100.00 |
| Media Markt Norrköping TV-Hifi-Elektro AB | Stockholm | Sweden | 90.01 |
| Media Markt Nyíregyháza Video TV Hifi Elektro Photo Computer Kereskedelmi Kft. | Nyíregyháza | Hungary | 90.00 |
| Media Markt Oberwart TV-Hifi-Elektro GmbH | Oberwart | Austria | 90.00 |
| Media Markt Oftringen AG | Oftringen | Switzerland | 90.00 |
| Media Markt Online LdA | Lisbon | Portugal | 100.00 |
| MEDIA MARKT Oostakker NV | Oostakker | Belgium | 90.00 |
| MEDIA MARKT Oostende NV | Ostend | Belgium | 100.00 |
| Media Markt Örebro TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| MEDIA MARKT ORIHUELA SA | Orihuela | Spain | 99.90 |
| MEDIA MARKT PALMA DE MALLORCA FAN S.A (Unipersonal) | El Prat de Llobregat | Spain | 99.90 |
| MEDIA MARKT PALMA DE MALLORCA S.A. | Palma de Mallorca | Spain | 99.90 |
| MEDIA MARKT Pécs Video TV Hifi Elektro Photo Computer Kereskedelmit Kft. | Pécs | Hungary | 90.00 |
| MEDIA MARKT PLACA DE CATALUNYA, SA | El Prat del Llobregat Barcelona | Spain | 99.90 |
| MEDIA MARKT PLAZA – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA | CRC Lisbon | Portugal | 100.00 |
| Media Markt Polska Sp. z o.o. | Warsaw | Poland | 100.00 |
| Media Markt Polska Sp. z o.o. 19 Spółka Komandytowa | Warsaw | Poland | 100.00 |

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|---|---|---|---|
| Media Markt Polska Sp. z o.o. 22 Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Media Markt Polska Sp. z o.o. 25 Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Media Markt Polska Sp. z o.o. 26 Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Media Markt Polska Sp. z o.o. 27 Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Media Markt Polska Sp. z o.o. Białystok Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Bydgoszcz Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Chorzów Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Elbląg Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Media Markt Polska Sp. z o.o. Gdańsk II Spolka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Gdynia I Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Media Markt Polska Sp. z o.o. Głogów Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Media Markt Polska Sp. z o.o. Gorzów Wielkopolski Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Jelenia Góra Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Media Markt Polska Sp. z o.o. Kalisz Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Konin Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Koszalin Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Kraków II Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Legnica Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Nowy Sącz Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Piotrków Trybunalski Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Media Markt Polska Sp. z o.o. Płock Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Poznań II Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Przemyśl Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Media Markt Polska Sp. z o.o. Radom Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Rybnik Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Słupsk Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Tarnów Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Toruń Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Wałbrzych Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Media Markt Polska Sp. z o.o. Zamość Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Media Markt Polska Sp. z o.o. Zielona Góra Spółka Komandytowa | Warsaw | Poland | 90.00 |

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|---|---|---|---|
| Media Markt Polska Sp. z o.o. Bielsko-Biała Spólka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Czeladź Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Częstochowa Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Gdańsk I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Katowice I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Kielce Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Kraków I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Łódź I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Łódź II Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Lublin Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Olsztyn Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Opole Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Poznań I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Rzeszów Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Szczecin Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Warszawa 1 Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Warszawa II Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Warszawa III Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Warszawa IV Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Wrocław I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Wrocław II Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Media Markt Polska Sp. z o.o. Zabrze Spółka Komandytowa | Warsaw | Poland | 90.00 |
| MEDIA MARKT Pólus Center Video TV Hifi Photo Computer Kereskedelmi Kft. | Budapest | Hungary | 100.00 |
| Media Markt Power Service AG | Dietikon | Switzerland | 100.00 |
| MEDIA MARKT PUERTO REAL VIDEO-TV-HIFI-ELECTRO-COMPUTER-FOTO, S.A. | Cadiz | Spain | 99.90 |
| MEDIA MARKT QUART DE POBLET, S.A. | Quart de Poblet | Spain | 99.90 |
| Media Markt Region Bern AG | Gümlingen | Switzerland | 90.00 |
| Media Markt Ried TV-Hifi-Elektro GmbH | Ried im Innkreis | Austria | 90.00 |
| Media Markt Rijswijk B.V. | Rijswijk | Netherlands | 100.00 |
| MEDIA MARKT RIVAS-VACIAMADRID VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | Madrid | Spain | 99.90 |
| Media Markt Roermond B.V. | Roermond | Netherlands | 100.00 |

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|---|---|---|---|
| MEDIA MARKT Roeselare NV | Roeselare | Belgium | 90.00 |
| Media Markt Rotterdam Beijerlandselaan B.V. | Rotterdam | Netherlands | 100.00 |
| MEDIA MARKT SALAMANCA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Sta. Marta de Tormes | Spain | 99.90 |
| MEDIA MARKT San Juan de Aznalfarache VIDEO-TV-HIFI-ELECTRO-COMPUTER-FOTO, S.A. | Seville | Spain | 99.90 |
| MEDIA MARKT SAN SEBASTIAN DE LOS REYES VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | San Sebastián de los Reyes | Spain | 99.99 |
| MEDIA MARKT SANT CUGAT DEL VALLÈS VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Sant Cugat del Vallès | Spain | 99.90 |
| MEDIA MARKT Santander Video-TV-Hifi-Elektro-Computer-Foto, SA | Santander | Spain | 99.90 |
| MEDIA MARKT SANTIAGO DE COMPOSTELA S. A. U | El Prat de Llobregat | Spain | 100.00 |
| MEDIA MARKT SATURN ADMINISTRACION ESPAÑA, S.A.U. | El Prat de Llobregat | Spain | 100.00 |
| Media Markt Saturn Holding Magyarország Kft. | Budaörs | Hungary | 100.00 |
| Media Markt Saturn Holding Nederland B.V. | Rotterdam | Netherlands | 100.00 |
| Media Markt Saturn Vertriebs-GmbH | Ingolstadt | Germany | 100.00 |
| MEDIA MARKT SATURN, S.A. UNIPERSONAL | El Prat de Llobregat | Spain | 100.00 |
| MEDIA MARKT Schoten NV | Schoten | Belgium | 90.00 |
| Media Markt Setúbal – Produtos Informáticos e Electrónicos, LDA. | Lisboa | Portugal | 90.00 |
| MEDIA MARKT SEVILLA-SANTA JUSTA VIDEO-TV-HIFIi-ELEKTRO-COMPUTER-FOTO, S.A. | Seville | Spain | 99.90 |
| MEDIA MARKT SIERO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Lugones-Siero | Spain | 99.90 |
| MEDIA MARKT Sint-Lambrechts-Woluwe NV | Sint-Lambrechts-Woluwe | Belgium | 90.00 |
| MEDIA MARKT Sint-Pieters-Leeuw NV | Sint-Pieters-Leeuw | Belgium | 90.00 |
| MEDIA MARKT SINTRA – PRODUTOS INFORMÁTICOS E ELECTRÓNICOS, LDA | Lisboa | Portugal | 100.00 |
| Media Markt Skövde TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Södertälje TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Spittal TV-Hifi-Elektro GmbH | Spittal an der Drau | Austria | 90.00 |
| Media Markt St. Gallen AG | St. Gallen | Switzerland | 90.00 |
| Media Markt St. Lorenzen TV-Hifi-Elektro GmbH | St. Lorenzen im Mürztal | Austria | 90.00 |
| Media Markt Steyr TV-Hifi-Elektro GmbH | Steyr | Austria | 90.00 |
| Media Markt Stockholm-Barkarby TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Stockholm-Gallerian TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Stockholm-Heron City TV-HiFi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Stockholm-Länna TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Stockholm-Nacka TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |

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|---|---|---|---|
| MEDIA MARKT Stop Shop Video TV Hifi Elektro Photo Computer Kereskedelmi Kft. | Budapest | Hungary | 100.00 |
| Media Markt Sundsvall TV-Hifi-Elektro AB | Stockholm | Sweden | 90.01 |
| MEDIA MARKT Szeged Video-TV-Hifi-Elektro-Photo-Computer-Kereskedelmi Kft. | Szeged | Hungary | 90.00 |
| MEDIA MARKT Székesfehérvár Video TV Hifi Elektro Photo Computer Kereskedelmi Kft. | Székesfehérvár | Hungary | 90.00 |
| Media Markt Szolnok Video Tv Hifi Elektro Photo Computer Kereskedelmi Kft. | Szolnok | Hungary | 100.00 |
| MEDIA MARKT Szombathely Video-TV-Hifi-Elektro-Photo-Computer-Kereskedelmi Kft. | Szombathely | Hungary | 90.00 |
| MEDIA MARKT TARRAGONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | Tarragona | Spain | 99.90 |
| MEDIA MARKT TELDE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Telde (Las Palmas) | Spain | 99.90 |
| MEDIA MARKT TENERIFE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Tenerife | Spain | 99.90 |
| MEDIA MARKT TERRASSA S.A. | Terrassa | Spain | 99.90 |
| Media Markt The Corner B.V. | Rotterdam | Netherlands | 95.24 |
| Media Markt Tilburg B.V. | Tilburg | Netherlands | 95.24 |
| MEDIA MARKT TOLEDO S.A. | Toledo | Spain | 99.90 |
| Media Markt Turnhout NV | Turnhout | Belgium | 90.00 |
| Media Markt TV-HiFi-Elektro Athens II Commercial Anonymi Eteria | Maroussi | Greece | 100.00 |
| MEDIA Markt TV-Hifi-Elektro Gesellschaft m.b.H. | Salzburg | Austria | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro Gesellschaft m.b.H. | Innsbruck | Austria | 90.00 |
| MEDIA MARKT TV-Hifi-Elektro Gesellschaft m.b.H. | Pasching | Austria | 90.00 |
| MEDIA MARKT TV-Hifi-Elektro Gesellschaft m.b.H. | Vösendorf | Austria | 90.00 |
| MEDIA MARKT TV-Hifi-Elektro Gesellschaft m.b.H. | Klagenfurt | Austria | 90.00 |
| MEDIA MARKT TV-Hifi-Elektro Gesellschaft m.b.H. | Villach | Austria | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro Gesellschaft m.b.H. | Seiersberg | Austria | 90.00 |
| MEDIA Markt TV-HiFi-Elektro GmbH | Hallstadt-Bamberg | Germany | 90.05 |
| MEDIA MARKT TV-HiFi-Elektro GmbH | Bad Dürrheim | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH | Herzogenrath | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH | Schwentinental | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH | Lüneburg | Germany | 90.00 |
| MEDIA MARKT TV-Hifi-Elektro GmbH | Wiener Neustadt | Austria | 90.00 |
| MEDIA MARKT TV-Hifi-Elektro GmbH | St. Pölten | Austria | 90.00 |
| MEDIA MARKT TV-Hifi-Elektro GmbH | Dornbirn | Austria | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH | Krems an der Donau | Austria | 90.00 |

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|---|---|---|---|
| MEDIA Markt TV-HiFi-Elektro GmbH | Belm-Osnabrück | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH | Porta Westfalica/Minden | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH | Halle-Peißen | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Aalen | Aalen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Albstadt | Albstadt | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Alzey | Alzey | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Amberg | Amberg | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Ansbach | Ansbach | Germany | 90.05 |
| MEDIA Markt TV-HiFi-Elektro GmbH Aschaffenburg | Aschaffenburg | Germany | 90.05 |
| MEDIA Markt TV-HiFi-Elektro GmbH Augsburg | Augsburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Augsburg-Göggingen | Augsburg | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Bad Kreuznach | Bad Kreuznach | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Baden-Baden | Baden-Baden | Germany | 90.00 |
| MEDIA Markt TV-HiFi-Elektro GmbH Bayreuth | Bayreuth | Germany | 90.05 |
| MEDIA Markt TV-HiFi-Elektro GmbH Berlin-Biesdorf | Berlin-Biesdorf | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Berlin-Charlottenburg | Berlin-Charlottenburg | Germany | 90.00 |
| MEDIA Markt TV-HiFi-Elektro GmbH Berlin-Gropiusstadt | Berlin (Gropiusstadt) | Germany | 90.05 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Berlin-Hohenschönhausen | Berlin-Hohenschönhausen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Berlin-Mitte | Berlin | Germany | 90.00 |
| MEDIA Markt TV-HiFi-Elektro GmbH Berlin-Neukölln | Berlin-Neukölln | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Berlin-Prenzlauer Berg | Berlin | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Berlin-Schöneweide | Berlin (Schöneweide) | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Berlin-Spandau | Berlin-Spandau | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Berlin-Steglitz | Berlin | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Berlin-Tegel | Berlin (Tegel) | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Berlin-Tempelhof | Berlin | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Berlin-Wedding | Berlin-Wedding | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Bielefeld | Bielefeld | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Bischofsheim | Bischofsheim | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Bochum | Bochum | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Bochum – Ruhrpark | Bochum (Ruhrpark) | Germany | 90.00 |

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|---|---|---|---|
| Media Markt TV-HiFi-Elektro GmbH Bonn | Bonn | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Brandenburg an der Havel | Brandenburg an der Havel | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Braunschweig | Brunswick | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Bremen | Bremen | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Bremen-Waterfront | Bremen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Bruchsal | Bruchsal | Germany | 100.00 |
| Media Markt TV-HiFi-Elektro GmbH Buchholz in der Nordheide | Buchholz | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Buxtehude | Buxtehude | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Castrop-Rauxel | Castrop-Rauxel | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Chemnitz | Chemnitz | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Chemnitz-Röhrsdorf | Chemnitz | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Coburg | Coburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Cottbus/Groß Gaglow | Cottbus | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Deggendorf | Deggendorf | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Dessau | Dessau-Roßlau | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Dietzenbach | Dietzenbach | Germany | 100.00 |
| Media Markt TV-HiFi-Elektro GmbH Donauwörth | Donauwörth | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Dorsten | Dorsten | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Dortmund- Hörde | Dortmund | Germany | 100.00 |
| Media Markt TV-HiFi-Elektro GmbH Dortmund-Oespel | Dortmund | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Dresden Centrum | Dresden | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Dresden-Mickten | Dresden | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Duisburg | Duisburg-Marxloh | Germany | 100.00 |
| Media Markt TV-HiFi-Elektro GmbH Duisburg-Großenbaum | Duisburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Düsseldorf | Düsseldorf | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Düsseldorf-Bilk | Düsseldorf | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Egelsbach | Egelsbach | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Eiche | Ahrensfelde-Eiche | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Eisenach | Eisenach | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Eislingen | Eislingen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Elmshorn | Elmshorn | Germany | 90.00 |

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| Media Markt TV-HiFi-Elektro GmbH Emden | Emden | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Erding | Erding | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Erfurt Thüringen-Park | Erfurt | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Erfurt-Daberstedt | Erfurt | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Erlangen | Erlangen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Eschweiler | Eschweiler | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Essen | Essen | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Esslingen | Esslingen/Weil | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Fellbach | Fellbach | Germany | 90.00 |
| Media Markt TV-Hifi-Elektro GmbH Flensburg | Flensburg | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Frankfurt | Frankfurt a.M. | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Frankfurt – Borsigallee | Frankfurt | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Freiburg | Freiburg | Germany | 90.05 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Friedrichshafen | Friedrichshafen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Fulda | Fulda | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Gifhorn | Gifhorn | Germany | 90.00 |
| Media Markt TV-Hifi-Elektro GmbH Goslar | Goslar | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Göttingen | Göttingen | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Greifswald | Greifswald | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Gründau-Lieblos | Gründau-Lieblos | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Günthersdorf | Leuna | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Gütersloh | Gütersloh | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Halberstadt | Halberstadt | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Halstenbek | Halstenbek | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Hamburg-Wandsbek | Hamburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Hamburg-Altona | Hamburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Hamburg-Billstedt | Hamburg-Billstedt | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Hamburg-Harburg | Hamburg-Harburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Hamburg-Hummelsbüttel | Hamburg-Hummelsbüttel | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Hamburg-Nedderfeld | Hamburg-Nedderfeld | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Hameln | Hameln | Germany | 90.05 |

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| Media Markt TV-HiFi-Elektro GmbH Hannover-Vahrenheide | Hannover-Vahrenheide | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Hannover-Wülfel | Hannover-Wülfel | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Heide | Heide | Germany | 90.00 |
| MEDIA Markt TV-HiFi-Elektro GmbH Heidelberg | Heidelberg | Germany | 100.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Heidelberg-Rohrbach | Heidelberg (Rohrbach) | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Heilbronn | Heilbronn | Germany | 92.00 |
| Media Markt TV-HiFi-Elektro GmbH Henstedt-Ulzburg | Henstedt-Ulzburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Heppenheim | Heppenheim | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Hildesheim | Hildesheim | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Hof | Hof | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Homburg/Saar | Homburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Hückelhoven | Hückelhoven | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Idar-Oberstein | Idar-Oberstein | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Itzehoe | Itzehoe | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Jena | Jena | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Kaiserslautern | Kaiserslautern | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Karlsfeld | Karlsfeld | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Karlsruhe | Karlsruhe | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Karlsruhe – Ettlinger Tor | Karlsruhe | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Kassel | Kassel | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Kempten | Kempten | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Kiel | Kiel | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Kirchheim | Kirchheim | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Koblenz | Koblenz | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Köln Hohe Straße | Cologne | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Köln-Chorweiler | Cologne | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Köln-Kalk | Cologne | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Köln-Marsdorf | Köln-Marsdorf | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Konstanz | Konstanz | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Krefeld | Krefeld | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Kulmbach | Kulmbach | Germany | 90.00 |

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| MEDIA MARKT TV-HiFi-Elektro GmbH Lahr | Lahr | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Landau/Pfalz | Landau | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Landsberg/Lech | Landsberg am Lech | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Landshut | Landshut | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Leipzig Höfe am Brühl | Leipzig | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Leipzig-Paunsdorf | Leipzig | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Limburg | Limburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Lingen | Lingen | Germany | 100.00 |
| Media Markt TV-HiFi-Elektro GmbH Lübeck | Lübeck | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Ludwigsburg | Ludwigsburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Ludwigshafen | Ludwigshafen/Rh. | Germany | 95.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Magdeburg | Magdeburg | Germany | 90.05 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Magdeburg – Bördepark | Magdeburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Main-Taunus-Zentrum | Sulzbach | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Mainz | Mainz | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Mannheim | Mannheim | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Mannheim-Sandhofen | Mannheim-Sandhofen | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Marburg | Marburg | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Marktredwitz | Marktredwitz | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Meerane | Meerane | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Memmingen | Memmingen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Mönchengladbach | Mönchengladbach | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Mühldorf/Inn | Mühldorf | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Mülheim | Mülheim/Ruhr-Dümpten | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH München-Haidhausen | Munich | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH München-Pasing | Munich | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH München-Solln | Munich-Solln | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Münster | Münster | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Nagold | Nagold | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Neubrandenburg | Neubrandenburg | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Neuburg an der Donau | Neuburg an der Donau | Germany | 90.00 |

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|---|---|---|---|
| Media Markt TV-HiFi-Elektro GmbH Neumünster | Neumünster | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Neunkirchen | Neunkirchen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Neuss | Neuss | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Neustadt an der Weinstraße | Neustadt/Weinstraße | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Neu-Ulm | Neu-Ulm | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Neuwied | Neuwied | Germany | 100.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Nienburg | Nienburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Nordhausen | Nordhausen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Nordhorn | Nordhorn | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Nördlingen | Nördlingen | Germany | 100.00 |
| MEDIA Markt TV-HiFi-Elektro GmbH Nürnberg-Kleinreuth | Nuremberg | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Nürnberg-Langwasser | Nuremberg | Germany | 90.00 |
| Media Markt TV-Hifi-Elektro GmbH Nürnberg-Schoppershof | Nuremberg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Offenburg | Offenburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Oldenburg | Oldenburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Oststeinbek | Oststeinbek | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Paderborn | Paderborn | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Papenburg | Papenburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Passau | Passau | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Peine | Peine | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Pforzheim | Pforzheim | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Pirmasens | Pirmasens | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Plauen | Plauen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Potsdam | Potsdam | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Ravensburg | Ravensburg | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Recklinghausen | Recklinghausen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Regensburg | Regensburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Rendsburg | Rendsburg | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Reutlingen | Reutlingen | Germany | 90.05 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Rheine | Rheine | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Rosenheim | Rosenheim | Germany | 100.00 |

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| Media Markt TV-HiFi-Elektro GmbH Rostock | Sievershagen b. Rostock | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Rostock-Brinckmansdorf | Rostock | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Saarbrücken | Saarbrücken | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Saarbrücken – Saarterrassen | Saarbrücken (Saarterrassen) | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Saarlouis | Saarlouis | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Schiffdorf-Spaden | Schiffdorf-Spaden | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Schwabach | Schwabach | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Schwedt | Schwedt | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Schweinfurt | Schweinfurt | Germany | 100.00 |
| Media Markt TV-HiFi-Elektro GmbH Schwerin | Schwerin | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Siegen | Siegen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Sindelfingen | Sindelfingen | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Singen | Singen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Sinsheim | Sinsheim | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Speyer | Speyer | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Stade | Stade | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Stralsund | Stralsund | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Straubing | Straubing | Germany | 90.05 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Stuhr | Stuhr/Groß-Mackenstedt | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Stuttgart – Mailänder Platz | Stuttgart | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Stuttgart-Feuerbach | Stuttgart-Feuerbach | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Stuttgart-Vaihingen | Stuttgart-Vaihingen | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Traunreut | Traunreut | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Traunstein | Traunstein | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Trier | Trier | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Ulm | Ulm | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Velbert | Velbert | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Viernheim | Viernheim | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Waltersdorf bei Berlin | Schönefeld/OT Waltersdorf | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Weiden | Weiden | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Weilheim | Weilheim | Germany | 90.00 |

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| Media Markt TV-HiFi-Elektro GmbH Weiterstadt | Weiterstadt | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Wetzlar | Wetzlar | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Wiesbaden | Wiesbaden | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Wiesbaden – Äppelallee | Wiesbaden | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Wolfsburg | Wolfsburg | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Worms | Worms | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Wuppertal | Wuppertal | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Würzburg | Würzburg | Germany | 90.05 |
| Media Markt TV-HiFi-Elektro GmbH Würzburg – Alfred-Nobel-Straße | Würzburg | Germany | 90.00 |
| MEDIA MARKT TV-HiFi-Elektro GmbH Zella-Mehlis | Zella-Mehlis | Germany | 90.00 |
| Media Markt TV-HiFi-Elektro GmbH Zwickau | Zwickau | Germany | 90.05 |
| MEDIA Markt TV-HiFi-Elektro Licht GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| MEDIA MARKT TV-Hifi-Elektro Wien XI Gesellschaft m.b.H. | Vienna-Simmering | Austria | 90.00 |
| MEDIA MARKT TV-Hifi-Elektro Wien XIII GmbH | Vienna | Austria | 90.00 |
| MEDIA MARKT TV-Hifi-Elektro Wien XXI Gesellschaft m.b.H. | Vienna | Austria | 90.00 |
| MEDIA MARKT Twee Torens Hasselt NV | Hasselt | Belgium | 90.00 |
| Media Markt Umeå TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Uppsala TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Utrecht Hoog Catharijne B.V. | Utrecht | Netherlands | 95.24 |
| Media Markt Utrecht The Wall B.V. | Utrecht | Netherlands | 95.24 |
| MEDIA MARKT VALENCIA COLON SA | Valencia | Spain | 99.90 |
| MEDIA MARKT VALÈNCIA-CAMPANAR VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Valencia | Spain | 99.90 |
| MEDIA MARKT VALLADOLID VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, SA | Valladolid | Spain | 99.90 |
| Media Markt Västerås TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Växjö TV-Hifi-Elektro AB | Stockholm | Sweden | 100.00 |
| Media Markt Venlo B.V. | Venlo | Netherlands | 95.24 |
| MEDIA MARKT VIGO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A. | Vigo | Spain | 99.90 |
| MEDIA MARKT VITORIA-GASTEIZ VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Vitoria | Spain | 100.00 |
| Media Markt Vöcklabruck TV-Hifi-Elektro GmbH | Vöcklabruck | Austria | 90.00 |
| Media Markt Wels TV-Hifi-Elektro GmbH | Wels | Austria | 90.00 |
| MEDIA MARKT-West End Video TV Hifi Elektro Photo Computer Kereskedelmi Kft. | Budapest | Hungary | 90.00 |

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|---|---|---|---|
| Media Markt Wholesale B.V. | Rotterdam | Netherlands | 100.00 |
| Media Markt Wien III TV-Hifi-Elektro GmbH | Vienna | Austria | 90.00 |
| Media Markt Wien XV TV-Hifi-Elektro GmbH | Vienna | Austria | 90.00 |
| Media Markt Wien XXII TV-Hifi-Elektro GmbH | Vienna | Austria | 90.00 |
| Media Markt Wilrijk NV | Wilrijk | Belgium | 90.00 |
| MEDIA MARKT Wörgl TV-Hifi-Elektro GmbH | Wörgl | Austria | 90.00 |
| MEDIA MARKT XCV TV-HiFi-Elektro GmbH Ingolstadt | Ingolstadt | Germany | 100.00 |
| Media Markt Zaandam B.V. | Zaandam | Netherlands | 100.00 |
| MEDIA MARKT ZARAGOZA PUERTO VENEZIA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Zaragoza | Spain | 99.90 |
| MEDIA MARKT ZARAGOZA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A. | Zaragoza | Spain | 100.00 |
| Media Markt Zell am See TV-Hifi-Elektro GmbH | Zell am See | Austria | 90.00 |
| Media Markt Zoetermeer B.V. | Zoetermeer | Netherlands | 95.24 |
| Media Markt Zürich AG | Zurich | Switzerland | 90.00 |
| Media Markt zwei TV-HiFi-Elektro GmbH Dresden-Prohlis | Dresden-Prohlis | Germany | 90.00 |
| MEDIA MARKT Zwijnaarde NV | Gent | Belgium | 90.00 |
| Media Markt Zwolle B.V. | Zwolle | Netherlands | 95.24 |
| MEDIA MARKTPARETS DEL VALLES SA | Pares des Valles | Spain | 99.90 |
| MEDIA MARKT-SATURN BELGIUM NV | Asse-Zellik | Belgium | 100.00 |
| Media Saturn – Servicos de Apoio Adminstrativo, Lda. | Lisboa | Portugal | 100.00 |
| Media Saturn Electronics Hellas Commercial and Holding Anonymi Eteria | Maroussi | Greece | 100.00 |
| Media Saturn Holding Polska Sp. z o.o. | Warsaw | Poland | 100.00 |
| Media Saturn Logistyka Spółka z ograniczoną odpowiedzialnością | Warsaw | Poland | 100.00 |
| MEDIA SATURN MULTICHANNEL SAU | Prat de Llobregat | Spain | 100.00 |
| Media Saturn Online Spółka z ograniczoną odpowiedzialnością | Warsaw | Poland | 100.00 |
| Mediamarket S.p.A.con Socio Unico | Curno | Italy | 100.00 |
| MEDIA-Markt TV-HiFi-Elektro GmbH Aachen | Aachen | Germany | 90.00 |
| MediaMarktSaturn Beschaffung und Logistik GmbH | Ingolstadt | Germany | 100.00 |
| MediaOnline GmbH | Ingolstadt | Germany | 100.00 |
| MEDIA-SATURN (PORTUGAL), SGPS, UNIPESSOAL LDA | CRC Lisboa | Portugal | 100.00 |
| Media-Saturn Beteiligungen Polska GmbH | Ingolstadt | Poland | 100.00 |
| Media-Saturn Deutschland Beteiligungsgesellschaft mbH | Ingolstadt | Germany | 100.00 |

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| Media-Saturn Deutschland GmbH | Ingolstadt | Germany | 100.00 |
| Media-Saturn e-handel Sverige AB | Stockholm | Sweden | 100.00 |
| Media-Saturn Helvetia Holding GmbH | Ingolstadt | Germany | 100.00 |
| Media-Saturn Holding Norway AS | Oslo | Norwegen | 100.00 |
| Media-Saturn Holding Sweden AB | Stockholm | Sweden | 100.00 |
| Media-Saturn Internationale Beteiligungen GmbH | Munich | Germany | 100.00 |
| Media-Saturn IT Services GmbH | Ingolstadt | Germany | 100.00 |
| Media-Saturn Marketing GmbH | Munich | Germany | 100.00 |
| Media-Saturn Nordic Shared Services AB | Stockholm | Sweden | 100.00 |
| media-saturn-e-business GmbH | Ingolstadt | Germany | 100.00 |
| Media-Saturn-Holding GmbH | Ingolstadt | Germany | 78.38 |
| Mellifera Vierte Beteiligungsgesellschaft mbH | Wolnzach | Germany | 100.00 |
| METRO Group China Holding Limited | Hong Kong | China | 100.00 |
| METRO GROUP International Retail Holding Limited | Hong Kong | China | 100.00 |
| MMS Coolsingel BV | Rotterdam | Netherlands | 100.00 |
| MMS ONLINE BELGIUM | Zellik | Belgium | 100.00 |
| MMS Online Nederland B.V. | Rotterdam | Netherlands | 100.00 |
| MS E-Business Concepts & Service GmbH | Ingolstadt | Germany | 100.00 |
| MS E-Commerce GmbH | Vösendorf | Austria | 100.00 |
| MS E-Commerce Kereskedelmi Korlátolt Feleősségű Társaság | Budaörs | Hungary | 100.00 |
| MS ISTANBUL IC VE DIS TICARET LIMITED SIRKETI | Istanbul | Turkey | 100.00 |
| MS Multichannel Retailing Ges.m.b.H. | Vösendorf | Austria | 100.00 |
| MS New CO Spółka z ograniczoną odpowiedzialnością | Warsaw | Poland | 100.00 |
| MS Powerservice GmbH | Vösendorf | Austria | 100.00 |
| MWFS Zwischenholding GmbH & Co. KG | Düsseldorf | Germany | 100.00 |
| MWFS Zwischenholding Management GmbH | Düsseldorf | Germany | 100.00 |
| my-xplace GmbH | Göttingen | Germany | 75.10 |
| OOO xplace | Moscow | Russia | 100.00 |
| Option 5 B.V. | Goes | Netherlands | 100.00 |
| PayRed Card Services AG | Dietikon | Switzerland | 100.00 |
| Power Service GmbH | Cologne | Germany | 100.00 |

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|---|---|---|---|
| PowerService Nederland B.V. | Rotterdam | Netherlands | 100.00 |
| Profectis Technischer Kundendienst GmbH & Co. KG | Wolnzach | Germany | 100.00 |
| Profectis Verwaltungs GmbH | Wolnzach | Germany | 100.00 |
| red blue Marketing GmbH | Munich | Germany | 100.00 |
| redblue services GmbH | Munich | Germany | 100.00 |
| Redcoon Benelux B. V. | Tilburg | Netherlands | 100.00 |
| REDCOON ELECTRONIC TRADE, S.L. | El Prat de Llobregat | Spain | 100.00 |
| Redcoon GmbH | Aschaffenburg | Germany | 100.00 |
| redcoon GmbH | Vienna | Austria | 100.00 |
| REDCOON ITALIA S.R.L. | Turin | Italy | 100.00 |
| redcoon Logistics GmbH | Erfurt | Germany | 100.00 |
| REDCOON POLSKA Sp. z o.o. | Warsaw | Poland | 100.00 |
| redcoon.pl Spółka z ograniczoną odpowiedzialnością | Warsaw | Poland | 100.00 |
| Retail Media Group GmbH | Düsseldorf | Germany | 75.01 |
| RTS Elektronik Systeme GmbH | Wolnzach | Germany | 100.00 |
| RTS Polska Spolka z. o. | Poznan | Poland | 90.00 |
| RTS Service Parts Logistics GmbH & Co. KG | Wolnzach | Germany | 100.00 |
| RTS Service Solutions GmbH & Co. KG | Wolnzach | Germany | 100.00 |
| RTS Service Solutions Verwaltungs GmbH | Wolnzach | Germany | 100.00 |
| RTS Sömmerda Service GmbH & Co. KG | Sömmerda | Germany | 100.00 |
| RTS Sömmerda Service Verwaltungs GmbH | Sömmerda | Germany | 100.00 |
| RTS Spares Verwaltungs GmbH | Wolnzach | Germany | 100.00 |
| RTS Supply Chain Solutions GmbH & Co. KG | Wolnzach | Germany | 100.00 |
| RTS Supply Chain Solutions Verwaltungs GmbH | Wolnzach | Germany | 100.00 |
| Saturn Athens III Commercial Anonymi Eteria | Maroussi | Greece | 100.00 |
| Saturn Electro-Handelsges.m.b.H. | Salzburg | Austria | 90.00 |
| Saturn Electro-Handelsges.m.b.H. | Vienna | Austria | 90.00 |
| Saturn Electro-Handelsges.m.b.H. | Graz | Austria | 90.00 |
| Saturn Electro-Handelsgesellschaft m.b.H. | Wiener Neudorf | Austria | 90.00 |
| Saturn Electro-Handelsgesellschaft m.b.H. | Linz | Austria | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH | Karlsruhe | Germany | 90.00 |

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|---|---|---|---|
| Saturn Electro-Handelsgesellschaft mbH Ansbach | Ansbach | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Augsburg | Augsburg | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Bad Homburg | Bad Homburg v. d. Höhe | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Bad Oeynhausen | Bad Oeynhausen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbh Baunatal | Baunatal | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Berlin I | Berlin (Alexanderplatz) | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Berlin-Charlottenburg | Berlin | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Berlin-Gesundbrunnen | Berlin | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Berlin-Köpenick | Berlin | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Berlin – Leipziger Platz | Berlin | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Berlin – Märkische Zeile | Berlin | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Berlin-Marzahn | Berlin | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Berlin-Reinickendorf | Berlin | Germany | 100.00 |
| Saturn Electro-Handelsgesellschaft mbH Berlin – Schloßstraße | Berlin | Germany | 90.05 |
| Saturn Electro-Handelsgesellschaft mbH Berlin-Spandau | Berlin | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Berlin-Treptow | Berlin | Germany | 100.00 |
| Saturn Electro-Handelsgesellschaft mbH Berlin-Zehlendorf | Berlin | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Bielefeld | Bielefeld | Germany | 90.05 |
| Saturn Electro-Handelsgesellschaft mbH Bocholt | Bocholt | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Bochum | Bochum | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Braunschweig | Brunswick | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Bremen | Bremen | Germany | 90.05 |
| Saturn Electro-Handelsgesellschaft mbH Bremen-Habenhausen | Bremen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Bremerhaven | Bremerhaven | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Celle | Celle | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Chemnitz | Chemnitz | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Chemnitz-Zentrum | Chemnitz | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Darmstadt | Darmstadt | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Dessau | Dessau | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Dortmund | Dortmund | Germany | 100.00 |
| Saturn Electro-Handelsgesellschaft mbH Dortmund-Eving | Dortmund-Eving | Germany | 90.00 |

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|---|---|---|---|
| Saturn Electro-Handelsgesellschaft mbH Dresden | Dresden | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Duisburg | Duisburg | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Erfurt | Erfurt | Germany | 90.05 |
| Saturn Electro-Handelsgesellschaft mbH Erlangen | Erlangen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Essen City | Essen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Essen-Steele | Essen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Esslingen | Esslingen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Euskirchen | Euskirchen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Flensburg | Flensburg | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Frankfurt/Main | Frankfurt | Germany | 90.04 |
| Saturn Electro-Handelsgesellschaft mbH Freiburg | Freiburg | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Freising | Freising | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Fürth | Fürth | Germany | 100.00 |
| Saturn Electro-Handelsgesellschaft mbH Gelsenkirchen | Gelsenkirchen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Gelsenkirchen-Buer | Gelsenkirchen-Buer | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Gießen | Gießen | Germany | 100.00 |
| Saturn Electro-Handelsgesellschaft mbH Göttingen | Göttingen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Gummersbach | Gummersbach | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Hagen | Hagen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Hamburg-Altstadt | Hamburg | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Hamm | Hamm | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Hanau | Hanau | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Hannover | Hannover | Germany | 90.01 |
| Saturn Electro-Handelsgesellschaft mbH Heidelberg | Heidelberg | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Herford | Herford | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Hilden | Hilden | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Hildesheim | Hildesheim | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Ingolstadt | Ingolstadt | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Isernhagen | Isernhagen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Jena | Jena | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Kaiserslautern | Kaiserslautern | Germany | 90.00 |

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|---|---|---|---|
| Saturn Electro-Handelsgesellschaft mbH Karlsruhe-Durlach | Karlsruhe | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Kassel | Kassel | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Kempten | Kempten | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Kerpen | Kerpen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Kiel | Kiel | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Kleve | Kleve | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Koblenz | Koblenz | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Krefeld | Krefeld | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Landshut | Landshut | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Leipzig | Leipzig | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Leipzig-Hauptbahnhof | Leipzig/Hbf. | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Leonberg | Leonberg | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Lübeck | Lübeck | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Lüdenscheid | Lüdenscheid | Germany | 90.05 |
| Saturn Electro-Handelsgesellschaft mbH Ludwigsburg | Ludwigsburg | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Ludwigshafen | Ludwigshafen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Lünen | Lünen | Germany | 100.00 |
| Saturn Electro-Handelsgesellschaft mbH Magdeburg | Magdeburg | Germany | 90.05 |
| Saturn Electro-Handelsgesellschaft mbH Mainz | Mainz | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Mannheim | Mannheim | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Marl | Marl | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Moers | Moers | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Mülheim | Mülheim an der Ruhr | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH München | Munich | Germany | 90.07 |
| Saturn Electro-Handelsgesellschaft mbH München-Riem | Munich | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Münster | Münster | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Neckarsulm | Neckarsulm | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Neu-Isenburg | Neu-Isenburg | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Norderstedt | Norderstedt | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Nürnberg | Nuremberg | Germany | 100.00 |
| Saturn Electro-Handelsgesellschaft mbH Oberhausen | Oberhausen | Germany | 90.00 |

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|---|---|---|---|
| Saturn Electro-Handelsgesellschaft mbH Oldenburg | Oldenburg | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Osnabrück | Osnabrück | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Paderborn | Paderborn | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Passau | Passau | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Pforzheim | Pforzheim | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Potsdam | Potsdam | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Regensburg | Regensburg | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Remscheid | Remscheid | Germany | 90.05 |
| Saturn Electro-Handelsgesellschaft mbH Reutlingen | Reutlingen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Rostock | Rostock | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH S050 | Ingolstadt | Germany | 100.00 |
| Saturn Electro-Handelsgesellschaft mbH Saarbrücken | Saarbrücken | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Senden | Senden | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Solingen | Solingen | Germany | 90.05 |
| Saturn Electro-Handelsgesellschaft mbH Stuttgart | Stuttgart | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Stuttgart-City | Stuttgart | Germany | 100.00 |
| Saturn Electro-Handelsgesellschaft mbH Troisdorf | Troisdorf | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Tübingen | Tübingen | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Weimar | Weimar | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Weiterstadt | Weiterstadt | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Wesel | Wesel | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Wiesbaden | Wiesbaden | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Wolfsburg | Wolfsburg | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mbH Zwickau | Zwickau | Germany | 90.00 |
| Saturn Electro-Handelsgesellschaft mit beschränkter Haftung | Cologne | Germany | 100.00 |
| Saturn Gerasdorf Electro-Handelsges.m.b.H. | Gerasdorf | Austria | 90.00 |
| Saturn Graz V VertriebsgmbH | Graz | Austria | 90.00 |
| Saturn Haid Electro-Handelsges.m.b.H. | Haid | Austria | 90.00 |
| Saturn Innsbruck Electro-Handeslges.m.b.H. | Innsbruck | Austria | 90.00 |
| Saturn Klagenfurt Electro-Handelsges.m.b.H. | Klagenfurt | Austria | 90.00 |
| Saturn Luxembourg S.A. | Luxembourg | Luxembourg | 100.00 |

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|---|---|---|---|
| Saturn Marketing GmbH | Munich | Germany | 100.00 |
| Saturn Mega Markt GmbH Wuppertal | Wuppertal | Germany | 90.05 |
| Saturn online GmbH | Ingolstadt | Germany | 100.00 |
| Saturn Planet Sp. z o.o. | Warsaw | Poland | 100.00 |
| Saturn Planet Sp. z o.o. 11 Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Saturn Planet Sp. z o.o. 16 Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Saturn Planet Sp. z o.o. 19 Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Saturn Planet Sp. z o.o. Bydgoszcz Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Gdańsk I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Gdynia I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Gliwice Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Katowice I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Kraków I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Kraków II Spółka Komandytowa | Warsaw | Poland | 100.00 |
| Saturn Planet Sp. z o.o. Łódź I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Łódź II Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Lubin Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Lublin I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Poznań I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Poznań II Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Szczecin I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Tychy Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Warszawa I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Warszawa II Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Warszawa III Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Warszawa IV Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Warszawa V Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Wrocław I Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Planet Sp. z o.o. Wrocław II Spółka Komandytowa | Warsaw | Poland | 90.00 |
| Saturn Techno-Electro-Handelsgesellschaft mbH | Cologne | Germany | 100.00 |
| Saturn Techno-Markt Electro-Handelsgesellschaft mbH | St. Augustin | Germany | 90.09 |

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|---|---|---|---|
| Saturn Techno-Markt Electro-Handelsgesellschaft mbH | Düren | Germany | 90.00 |
| Saturn Techno-Markt Electro-Handelsgesellschaft mbH | Mönchengladbach | Germany | 90.00 |
| Saturn Techno-Markt Electro-Handelsgesellschaft mbH | Neuss | Germany | 90.09 |
| Saturn Techno-Markt Electro-Handelsgesellschaft mbH | Leverkusen | Germany | 90.09 |
| Saturn Techno-Markt Electro-Handelsgesellschaft mbH | Aachen | Germany | 90.00 |
| Saturn Techno-Markt Electro-Handelsgesellschaft mbH | Cologne | Germany | 100.00 |
| Saturn Techno-Markt Electro-Handelsgesellschaft mbH | Siegen | Germany | 90.01 |
| Saturn Techno-Markt Electro-Handelsgesellschaft mbH | Hürth | Germany | 90.00 |
| Saturn Techno-Markt Electro-Handelsgesellschaft mbH | Bergisch Gladbach | Germany | 100.00 |
| Saturn Techno-Markt Electro-Handelsgesellschaft mbH Düsseldorf-Flingern | Düsseldorf | Germany | 90.00 |
| Saturn Techno-Markt Electro-Handelsgesellschaft mbH Düsseldorf – Königsallee | Düsseldorf | Germany | 90.00 |
| Saturn Thessaloniki II Comercial Anonymi Eteria | Maroussi | Greece | 100.00 |
| Saturn Wien X VertriebsgmbH | Vienna | Austria | 90.00 |
| Saturn Wien XIV Electro-Handelsges.m.b.H. | Vienna | Austria | 90.00 |
| Saturn Wien XX VertriebsgmbH | Vienna | Austria | 90.00 |
| Saturn Wien XXII Electro-Handelsges.m.b.H. | Vienna | Austria | 90.00 |
| Saturn Wien XXIII Electro-Handelsges.m.b.H. | Vienna | Austria | 90.00 |
| Saturn-Mega Markt GmbH Halle | Hallet | Germany | 90.05 |
| Saturn-Mega Markt GmbH Trier | Trier | Germany | 90.05 |
| Silver Ocean B. V. | Amsterdam | Netherlands | 90.76 |
| SmartWorld Services GmbH | Wolnzach | Germany | 85.00 |
| Tec-Repair GmbH | Wolnzach | Germany | 100.00 |
| Tertia Handelsbeteiligungsgesellschaft mbH | Cologne | Germany | 60.00 |
| X Place Spain SL | Barcelona | Spain | 100.00 |
| XPLACE DIJITAL COZÜM TICARET LIMITED SIRKETI | Istanbul | Turkey | 100.00 |
| xplace GmbH | Göttingen | Germany | 58.04 |
| XPLACE ITALY S.R.L. | Pianoro | Italy | 100.00 |
| XPLACE UK LIMITED | London | England | 100.00 |
| Zes Repair B.V. | Goes | Netherlands | 100.00 |
| OOO CE Trading solutions | Moscow | Russia | 100.00 |
| OOO Media-Markt-Saturn | Moscow | Russia | 100.00 |

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|---|---|---|---|
| OOO Media-Saturn-Russland | Moscow | Russia | 100.00 |
| OOO Saturn | Moscow | Russia | 100.00 |

## Investments accounted for using the equity method

| | Head office | Country | % capital share |
|---|---|---|---|
| Fnac Darty S.A. | Ivry-sur Seine | Belgium | 24.33 |
| Juke Nederland B.V. | Rotterdam | Netherlands | 50.00 |
| Peoplefone Polska Spółka Akcyjna | Warsaw | Poland | 49.00 |

## Investments

| | Head office | Country | % capital share |
|---|---|---|---|
| 7digital Group Plc | London | Great Britain | 12.65 |
| Digitales Gründerzentrum der Region Ingolstadt GmbH | Ingolstadt | Germany | 6.00 |
| DTB Deutsche Technikberatung GmbH | Cologne | Germany | 80.00[1] |
| Flip4 GmbH | Friedrichsdorf | Germany | 16.00 |
| Locafox GmbH | Berlin | Germany | 17.64 |
| METRO AG | Düsseldorf | Germany | 9.98 |
| METRO PROPERTIES GmbH & Co. KG | Düsseldorf | Germany | 6.61 |
| smart building solutions GmbH | Munich | Germany | 50.00 |

[1] Not fully consolidated and not recognised using the equity method due to its immateriality with regard to the net assets, financial position and results of operations

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29 November 2017

The Management Board

| | | |
|---|---|---|
| Pieter Haas | Mark Frese | Dr. Dieter Haag Molkenteller |

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# Responsibility statement of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the asset, financial and earnings position of the group, and the combined management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

29 November 2017

The Management Board

Pieter Haas | Mark Frese | Dr. Dieter Haag Molkenteller

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# INDEPENDENT AUDITOR'S REPORT

TO CECONOMY AG, DÜSSELDORF

## Report on the audit of the consolidated financial statements and combined management report

### Opinion

We have audited the consolidated financial statements of CECONOMY AG (operating under the name METRO AG until 11 August 2017) and its subsidiaries (collectively referred to as 'the Group' or 'CECONOMY') – which comprise the consolidated statement of financial position as at 30 September 2017, the statement of profit or loss, the reconciliation of profit or loss to total comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 October 2016 to 30 September 2017, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. We have also audited the combined management report of CECONOMY for the financial year from 1 October 2016 to 30 September 2017.

In our opinion, based on our audit findings,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU, and the supplementary requirements of German commercial law pursuant to Section 315a HGB (superseded version), and give a true and fair view of the net assets and financial position of the Group as at 30 September 2017, and of its results of operations for the financial year from 1 October 2016 to 30 September 2017, in accordance with these requirements, and
- the accompanying combined management report as a whole provides a suitable view of the Group's position. In all material respects, the combined management report is consistent with the consolidated financial statements, complies with German statutory requirements and suitably presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB, we state that our audit has not led to any reservations with respect to compliance of the consolidated financial statements and the combined management report.

### Basis for opinion

We conducted our audit of the consolidated financial statements and combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No 537/2014; hereinafter referred to as 'EU Audit Regulation') and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW]. Our responsibilities under those regulations and guidelines are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements and combined management report' section of our report. We are independent of the Group companies in accordance with the requirements of European Union law as well as German commercial law and the rules of professional conduct, and we have fulfilled our other ethical responsibilities under German professional law in accordance with these requirements. In addition, pursuant to Article 10 (2)(f) EU Audit Regulation, we hereby declare that we did not provide any of the prohibited non-audit services referred to in Article 5 (1) EU Audit Regulation. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion on

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the consolidated financial statements and the combined management report.

## Key Audit Matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2016 to 30 September 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

### VALUATION OF INVENTORIES

For the accounting policies applied, we refer to the disclosures in the notes in the section 'Explanatory notes to the basis of preparation of the consolidated financial statements' under Statement of financial position. In addition, we refer to the note on 'Inventories'.

**Financial statement risk**
The statement of financial position as at 30 September 2017 reports inventories in the amount of EUR 2,553 million, of which EUR 110 million refers to impairment losses.

Inventories initially measured at cost (taking into account incidental acquisition costs and reductions in the cost of acquisition due to subsequent compensation) must be reduced in value if the inventories are damaged, fully or partially obsolete or if their expected net realisable values no longer cover cost. The determination of net realisable values as an upper limit is subject to judgement. Net realisable value requires in part forward-looking estimates with regard to the amounts that are expected to be realised when selling the inventories. There is the risk for the consolidated financial statements that inventories are overvalued due to unidentified impairment losses.

**Our audit approach**
Based on our understanding of the process used to test inventories for impairment, we assessed the establishment, design and functionality of the identified internal controls, especially in terms of the calculation of expected net realisable values.

We verified the computational accuracy of the calculations to determine net realisable value and impairment losses for inventory items selected according to risk and size. We assessed the appropriateness of the expected net realisable values and impairment rates applied using CECONOMY's historical and empirical values, among others.

**Our conclusions**
The assumptions underlying the net realisable values as well as judgements exercised by the Management Board are appropriate and reasonable.

### RECOGNISING COMPENSATION FROM SUPPLIERS

For the accounting policies applied, we refer to the disclosures in the notes in the section 'Explanatory notes to the basis of preparation of the consolidated financial statements' under 'Other'. In addition, we refer to the note on 'Other financial and non-financial assets'.

**Financial statement risk**
The Group's statement of financial position as at 30 September 2017 presents receivables from suppliers in the amount of EUR 1,246 million under 'Miscellaneous financial and other assets'.

CECONOMY Group companies conclude agreements with suppliers on purchasing terms and conditions. These include agreements on subsequent discounts, rebates and other compensation given by suppliers to CECONOMY. Presentation of these agreements in the statement of financial position and statement of profit or loss requires some judgements and assumptions, such as on achieving calendar year targets due to the reporting date deviating from the calendar year, which have a direct influence on the recognition of receivables from suppliers under the aforementioned agreements. There is the risk for the consolidated financial statements that compensation from suppliers is recognised without an underlying agreement. Moreover, there is a risk that the level of compensation realised from suppliers is estimated inaccurately so that the amount recognised for receivables from suppliers is too high.

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**Our audit approach**
We examined the process for recording and documenting supplier agreements and the establishment and design of the identified internal controls and assessed the effectiveness of the relevant internal controls in terms of the amount of supplier compensation.

We confirmed the underlying supplier agreements for a selection of receivables from suppliers based on size and risk, and assessed the recognition of supplier compensation in the statement of financial position and statement of profit or loss. To that end, we scrutinised, among others, the underlying assumptions and data used to recognise the receivables from suppliers for realised but not yet invoiced compensation taking into account past experience.

**Our conclusions**
The recognition of the realised compensation from suppliers is consistent with the underlying supplier terms and conditions/agreements with the suppliers.

The assumptions used to assess the level of realisation of uninvoiced compensation from suppliers are appropriate.

### MEASUREMENT OF THE PROVISION FOR STORE-RELATED RISKS AND IMPAIRMENT OF LEASEHOLD IMPROVEMENTS

For the accounting policies applied, we refer to the disclosures in the notes in the section 'Basis of preparation of the consolidated financial statements'. In addition, we refer to the note on 'Other provisions (non-current) / provisions (current)'.

**Financial statement risk**
The consolidated financial statements of CECONOMY as at 30 September 2017 include provisions for store-related risks in the amount of EUR 66 million for leases for operating stores, in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it (onerous contract). In addition, the consolidated financial statements of CECONOMY recognise equipment, operating and office equipment of EUR 808 million, which also includes leasehold improvements for operating stores. If the carrying amount of leasehold improvements exceeds their recoverable amount, an impairment loss is recognised.

Measurement of the provision and impairment testing of leasehold improvements are based on the present value of future cash flows expected to be generated at each store, which is determined using the discounted cash flow method. Future cash flows are determined on the basis of multi-year plans for the individual stores.

This measurement is highly dependent on the Company's estimates of future cash flows and therefore subject to considerable uncertainty and judgement, especially in view of the multi-year planning horizon typically used. There is the risk for the financial statements that provisions for store-related risks are inaccurately measured and leasehold improvements at operating facilities are impaired.

**Our audit approach**
We evaluated the appropriateness of implemented controls to ensure proper planning. In particular, we examined the release of plans by the responsible committees.

Furthermore, we confirmed the appropriateness of valuation models as well as material assumptions and data. We established whether the plans are reasonable, among others by comparing current with past performance (assessment of the quality of planning in the past), internal expectations and sector information. Furthermore, we evaluated the consistency of planning using information obtained in the course of the audit. We critically evaluated improvements in earnings due to reductions in space and strategic measures that were taken into account in planning. In addition, we assessed the valuation models for the accounting policies applied as well as computational and formal accuracy.

**Our conclusions**
The valuation models applied by the Company are consistent with the IFRS accounting policies to be applied and the Management Board's assumptions are appropriate.

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## RECOGNITION OF REVENUE FROM CONTRACT NEGOTIATION

For the accounting policies applied, we refer to the disclosures in the notes in the section 'Basis of preparation of the consolidated financial statements'. Disclosures on the amount of revenue from services can be found under the note 'Sales':

**Financial statement risk**

The consolidated financial statements of CECONOMY as at 30 September 2017 present income arising from the provision of services for the reporting period in the amount of EUR 1,379 million, which also includes revenue from contract negotiation.

CECONOMY negotiates contracts with customers for various service providers. These service providers are mainly mobile communication providers. In return, CECONOMY receives commission from the service providers, which is recognised as revenue.

The negotiated (brokered) contracts include complex arrangements and a number of individual agreements, in which CECONOMY receives, as consideration for its brokerage services, a proportionate share of the future revenue generated by the mobile communication providers with end customers on a continuing basis. There is the risk for the consolidated financial statements that revenue from contract negotiation is estimated inaccurately or recognised without the entitlement to do so.

**Our audit approach**

We examined the process for recognising and documenting revenue from contract negotiation and the establishment and design of the identified internal controls.

We confirmed the underlying agreements and their renewal for a selection of deferrals and receivables from mobile communication providers based on size and risk, and assessed the recognition of revenue in the statement of financial position and statement of profit or loss. To that end, we critically reviewed, among others, the underlying assumptions and data used to recognise deferred receivables from mobile communication providers taking into account past experience.

**Our conclusions**

Revenue from contract negotiation is being recognised in line with the underlying agreements; the deferred income from future shares in the revenue of mobile communication providers with end customers has been properly estimated.

## SPLIT-UP (DEMERGER) OF METRO GROUP AND DECONSOLIDATION OF THE UNDERLYING ASSETS AND LIABILITIES

For the accounting policies applied, we refer to the disclosures in the notes in the section 'Basis of preparation of the consolidated financial statements'. In addition, we refer to the note 'Profit/loss for the period from discontinued operations after tax'.

**Financial statement risk**

The split-up (demerger) of METRO GROUP agreed by resolution of the Annual General Meeting of CECONOMY AG (until 11 August 2017: METRO AG) on 6 February 2017 was entered in the Commercial Register with legal effect on 12 July 2017. Accordingly, the activities of the sales lines METRO Cash & Carry and Real, including real estate and the related control and service activities, were deconsolidated in the fourth quarter of 2016/17.

Due to the volume of the assets and liabilities to be deconsolidated as well as complexity of the demerger agreement, there is the risk for the consolidated financial statements of CECONOMY that the gain on deconsolidation to be recognised through profit or loss was determined inaccurately, reporting requirements were not properly observed or disclosures were not correctly made in the notes.

**Our audit approach**

To assess the proper presentation of the split-up (demerger) of METRO GROUP in the consolidated financial statements of CECONOMY, we initially evaluated the legal basis for the demerger under German company corporation law and evaluated the demerger agreement and the demerger report in respect of the issues relevant to deconsolidation.

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In the course of our audit we assessed whether all assets and liabilities belonging to the disposal group were measured in accordance with the applicable IFRS provisions prior to classification as a disposal group.

We also assessed the established date of deconsolidation based on the relevant clauses in the demerger agreement as well as entry of the demerger in the commercial register.

Furthermore, we evaluated whether the method used to determine the gain on deconsolidation was appropriate. Our audit procedures initially consisted of assessing the measurement of the non-cash dividends payable based on the stock market price of the spun-off division (discontinued operation) after the demerger, assessing the completeness of the deconsolidated assets and liabilities based on the demerger agreement, and evaluating the retained non-controlling interests in entities of the spun-off division (discontinued operation). Finally, we evaluated the recognition in profit or loss of the gains and losses of the disposal group which had previously been recognised under group equity, to the extent subject to 'recycling'.

We also determined whether the disclosures in the notes required under IFRS 5 were made correctly and whether restatements in the statement of profit or loss and statement of cash flows were accurate with respect to presentation of the discontinued operation.

**Our conclusions**
The gain on deconsolidation was properly determined. It is accurately and properly presented in the notes.

## Responsibilities of the Management and Supervisory Boards for the consolidated financial statements and combined management report

The Management is responsible for the preparation of the consolidated financial statements which, in all material respects, comply with IFRS, as adopted by the EU, and the supplementary requirements of German commercial law pursuant to Section 315a HGB (superseded version), and that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. Furthermore, the Management is responsible for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management is responsible for assessing the Group's ability to continue as a going concern, Furthermore, the Management is responsible for disclosing, as applicable, matters related to going concern. In addition, the Management is responsible for using the going concern basis of accounting unless the intention is liquidation or to cease operations, or there is no realistic alternative to do so.

Moreover, the Management is responsible for preparing the combined management report, which as a whole provides a suitable view of the Group's position, as well as, in all material respects, is consistent with the consolidated financial statements, complies with German statutory requirements and suitably presents the opportunities and risks of future development. Furthermore, the Management is responsible for such arrangements and measures (systems) as they determine are necessary to enable the preparation of the combined management report in compliance with the applicable requirements of German commercial law and for providing sufficient and appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for monitoring the Group's financial reporting process for preparing the consolidated financial statements and the combined management report.

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## Auditor's responsibilities for the audit of the consolidated financial statements and the combined management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the combined management report as a whole provides a suitable view of the Group's position, as well as, in all material respects, is consistent with the consolidated financial statements and our audit findings, complies with German statutory requirements, and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our opinion on the consolidated financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation, as well as in compliance with the German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW], will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

As part of our audit we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the consolidated financial statements and the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements, and of the arrangements and measures relevant to the audit of the combined management report, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and combined management report or, if such disclosures are inadequate, to modify our particular opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view of the net assets, financial position, and results of operations of the Group in accordance with IFRS, as adopted by the EU, and the supplementary requirements of German commercial law pursuant to Section 315a (1) HGB (superseded version).

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the combined management report. We are responsible for the direction,

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supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- Evaluate consistency of the combined management report with the consolidated financial statements, its legal compliance and presentation of the Group's position.

- Perform audit procedures on the prospective information presented by the Management in the combined management report. Based on sufficient and appropriate audit evidence, we hereby in particular trace the significant assumptions used by the Management as a basis for the prospective information and assess the appropriate derivation of the prospective information from these assumptions. We are not issuing a separate audit opinion on the prospective information as well as the underlying assumptions. There is a significant, unavoidable risk that future events will deviate significantly from the prospective information.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Other disclosures pursuant to Article 10 of the EU Audit Regulation

We were appointed as group auditors at the shareholders' meeting held on 6 February 2017. We were appointed by the Supervisory Board on 6 February 2017. Inclusive of the extension pursuant to Section 318 (1)a HGB, we have been engaged as group auditors of CECONOMY AG (operating under the name METRO AG until 11 August 2017) uninterruptedly since the 2005 financial year.

We declare that the audit opinion in this auditor's report is consistent with the additional report to the audit committee referred to in Article 11 of the EU Audit Regulation (audit report).

## Statutory auditor responsible for the engagement

The auditor responsible for the engagement is Gereon Lurweg.

Cologne, 30 November 2017

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

| | |
|---|---|
| Lurweg | Münstermann |
| Wirtschaftsprüfer | Wirtschaftsprüfer |
| [German Public Auditor] | [German Public Auditor] |